This book is dedicated to the men and women who overcame multiple obstacles to bring affordable housing to New Mexico through the Mortgage Finance Authority. And to the hundreds of people who have partnered with MFA over the last 40 years, we extend a heartfelt thank you. New Mexico’s families are stronger because of you.

We are MFA, and we are Housing New Mexico.
This page, left to right: Tom Hundley, MFA’s first executive director; Toby Michael, chairman of MFA’s first board of directors; former Gov. Bruce King; Larry Griffis, MFA’s first deputy director.

Right page. The same group today, with Jay Czar, MFA’s current executive director. From left to right: Tom Hundley, Toby Michael, Jay Czar and Larry Griffis.
THE CONCEPT

In the mid-1970s, states throughout the nation were establishing housing agencies in order to take advantage of federal tax-exempt bonding authority for affordable housing. Discussions about establishing an agency in New Mexico began in 1974 when a lawyer in New York, Robert Amdursky, helped create the first housing finance agencies in a handful of southern states. A New Mexico-born attorney who was practicing with Amdursky, Lawrence P. J. Bonaguidi, and former Rep. Adele Cinelli Hundley met with District Court Judge Gene Franchini at his home in Albuquerque to discuss the possibility of doing the same thing in New Mexico. The group presented the idea to Gov. Jerry Apodaca who saw it as a tremendous opportunity for New Mexico to provide homeownership opportunities to low-income families in the state. Amdursky came to Santa Fe to help the group draft the legislation to create MFA.

According to former state Rep. Adele Cinelli Hundley, legislators who “had the political muscle” to get the proposed housing agency legislation passed were recruited: herself and Rep. Edward J. Lopez. Together with Raymond G. Sanchez, former Speaker of the House, the three introduced the Mortgage Finance Authority Act in 1975 as House Bill 88. (In an interesting note, Rep. Cinelli Hundley’s second husband, Thomas Hundley, was MFA’s first executive director.)

Reps. Cinelli, Lopez and Sanchez were members of the so-called Mama Lucy Gang, a coalition of Democrats and a few Republicans that were in leadership positions in the House of Representatives at that time. The name Mama Lucy was derived from the group’s favorite watering hole: a coffee shop and bar in the Plaza Hotel of Las Vegas. Gov. Apodaca had strong support from the Mama Lucies to establish MFA, but some members of the state senate were not so sure.
“Given the pall we were under when MFA began, it’s very gratifying to see that the organization has been completely without scandal all of these years.”
— Felix Briones

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CONTROVERSY

Rumors emerged that the idea of creating a housing authority was a ploy to launder mafia money in New Mexico. According to Adele Cinelli Hundley, the rumor gained traction because Bonagudi and Franchini were Italian American and because the idea originated in New York. “I kept hearing ‘this has to be the mafia,’” she said in a recent interview.

Members of the senate raised other concerns about the legislation, saying there was no shortage of mortgage loan funds and, even if there were, low-income families would not be able to qualify for loans. The analysis of HB 88 included another issue: “The bonds of the authority, will not be well received by the investment community. They will erode the presently superb quality of the state of New Mexico among investors.” The general consensus of the senate was that “the bill will not do what it is intended to do.”

When HB 88 became embroiled in controversy, Gov. Apodaca called lobbyist Toby Michael, an attorney from Grants, to help pass the legislation. After multiple amendments, the bill ultimately passed in the senate. However, Michael said that in order to get the bill through, all of the funding associated with the bill was removed. MFAs new board of directors was left to start the organization with absolutely no funding or staff.

“I still have scars from trying to get that bill passed. But helping start the MFA is the biggest accomplishment of my career.”
— Former Rep. Adele Cinelli Hundley

This page, left to right: Toby Michael, chairman of MFA’s first board of directors and Felix Briones, member of MFA’s first board of directors.

“That headline made us even more determined to make this work.”
— Toby Michael

THE CLIMB

Toby Michael, who was named as chairman of the fledgling board, recalls that he and fellow board members Felix Briones, an attorney from Farmington and James O’Connor, president of an Albuquerque real estate company, had to take out personal loans to get MFA off the ground. The three were motivated by a headline that ran in the Albuquerque Journal that read: “Mortgage Authority: It’s Dead.” “There was a feeling we would never be able to make it work,” Michael said in a recent interview. “That’s when we got really motivated and borrowed the money.”

But the struggle wasn’t over. Several controversies, all of which were followed closely by the press, embroiled Michael and his fellow board members as they tried to secure underwriters for MFAs first bond issue. There were questions about how MFA was to function within state government and if it was required to comply with the state budgeting law and personnel act. Then-Attorney General Toney Anaya ultimately ruled that MFA was not a state agency, but that it had to have state approval before expending funds. Anaya also ruled that each board member, of which he was one, had to post a $1 million bond “to guarantee faithful performance of their duties.” There was also confusion about the taxability of MFAs bonds and the validity of what the authority had been tasked to do.

Left to right, Felix Briones, original board member, Larry Griffin, MFAs first deputy director and Toby Michael, MFAs first board chairman, reminisce recently at the MFA offices.

“We had every problem under the sun. I used to dread going to the meetings.”
— Toby Michael, chairman of MFAs first board of directors.
There were more delays as attorneys worked to determine if MFA was subject to the Open Meetings Act when they met to select an underwriting firm. Robert “Bobby” McBride, the authori- ty’s attorney who would later become its acting executive director, thought the board meetings to discuss the seven mortgage banking firms applying to MFA would “properly fit” the personnel exemption in the state Open Meetings Act. However, the board ultimately decided to open the meetings.

Confusion also surrounded the role and function of the state legisla- tors who comprised the newly formed Mortgage Finance Authority Act Oversight Committee. As the committee was working to clarify their responsibilities at their first meeting on September 12, 1975, the minutes reflect that Sen. Joseph Fidel said it was “urgent” for the com- mittee to work with the authority to make the act work successfully. “If serious problems arise, the legislature may have to scuttle the act,” he said. “But if both groups meet consistently until the program is off the ground, the act will be a useful vehicle for low-income housing.”
COLLABORATION

The oversight committee did work diligently with MFA’s board. In addition, four New Mexico banks supplied letters of credit for MFA’s first bond issue: New Mexico Savings and Loan, First National Bank of Albuquerque, Albuquerque Federal Savings and Loan and Southwest Mortgage. With everything finally in place, MFA executed its first bond issue in December 1976. That $20 million bond sale was followed by another $38 million bond sale in June 1977. MFA was officially launched.

Bill Fowler was with New Mexico Savings and Loan when it issued MFA’s letter of credit. Soon after, Fowler began Suburban Mortgage in Albuquerque, which was one of the first mortgage lenders to use MFA’s bond money to help low-income families buy homes. According to his son, Alan Fowler, executive vice president of First Mortgage Company, either Suburban or First Mortgage has participated in every bond issue and homeowner-ship program MFA has had in the last 40 years.

Dolly Azar, MFA’s first mortgage loan specialist and one of its first employees.

"My dad’s staff at Suburban could get the money out the door and into the hands of first-time homebuyers quickly. Suburban and Charter Bank were MFA’s primary lending partners for many years.”

— Alan Fowler, Executive Vice President, First Mortgage Company, LLC

Right page, left to right: Alan Fowler, executive vice president of First Mortgage Company, LLC, his father; Bill Fowler; founder of Suburban Mortgage and Dolly Azar, one of MFA’s first employees, met recently at MFA.
In December 1977, Rep. Robert N. “Bobby” Garcia wrote to his fellow legislators:

“I am convinced that the authority is fulfilling the goal of the Mortgage Finance Authority Act, which is to provide mortgage monies to citizens of the state of New Mexico who could not otherwise afford to buy their own homes.”

By 1978, MFA was in full swing. However, Thomas Hundley, the first MFA executive director who was hired in May 1977, called it a “lean operation.” “Larry Griffis (deputy director) and I operated out of about 700 square feet of rented space with a part-time secretary,” Hundley recalled.

Recently, Larry Griffis talked about his decision to join MFA. “Tom told me he wanted to hire me, but he couldn’t pay me,” Griffis said with a laugh. “But the biggest problem was that I didn’t own a suit to wear to the first bond closing. Tom had to get me one.”

MFA continued to grow, and in 1979 it had six full-time staff members. In June of that year MFA accomplished what Hundley calls the organization’s “crowning achievement”: a $175 million bond issue, which was the largest in New Mexico’s history.

Hundley wrote in MFA’s 1979 annual report: “Our achievements in the past have been significant, and the teamwork evidenced each day is the key. I speak for us all in thanking the New Mexico Legislature for bringing this great concept into being. I advise all concerned that the MFA will continue to expend every effort in the fulfillment of its public purpose.”

“It is amazing to see how MFA has grown and what it has become.” — Tom Hundley, MFA’s first executive director
After working out of rented space for several years, MFA purchased its first office building in 1979 on Second Street in Albuquerque. Payment on the building, known as the Roger Cox building, was $621 per month. Furniture and equipment were purchased from the Gallup Urban Development Agency.

MFA moved into its current offices at 544 Fourth Street SW in Albuquerque in 1985. The building was constructed in 1940-1941 to house the city’s YWCA and is currently designated as a local significant building. The architectural firm that designed the building was Gordon Ferguson Architects, and construction was done by JE Morgan & Sons Construction at a cost of $4,500.

The building housed YWCA for almost 45 years and was home to more than two dozen young women who worked in Downtown Albuquerque. It was also a well-known safe overnight shelter for women traveling alone. The building had a swimming pool, a recreation hall that was used for dancing, banquets and public meetings, a large basement and playroom as well as a patio that was used for social events.

The YMCA building, which MFA purchased in 1985, housed young women who worked in Downtown Albuquerque in the 1940s and 1950s.

The land on which the YWCA building was built was donated by Judge Ira Anson Abbott on November 1, 1911. Judge Abbott was born in 1845 in Vermont, served in the Union Army during the Civil War and went on to be a lawyer. After serving as a district judge in Massachusetts, he moved to New Mexico where he was a territorial supreme court justice from 1904 to 1912. The building’s main meeting room was named Abbott Hall in honor of the judge, who died in 1921 in Essex County, Massachusetts. The name remains the same today, although until recently no one knew about the man for which it was named.

JUDGE IRA ANSON ABBOTT

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When MFA bought the YWCA building in 1985, it was renovated to accommodate its staff, which was 26 at the time. Part of the remodel involved moving a gas station out of the front lot. The gas station belonged to PNM, which had its offices directly to the west.

After the transfer of state housing programs to MFA in 1997, MFA’s staff grew quickly. In 2000, the building underwent a massive renovation that added more than 13,000 square feet of space.

The building now comfortably houses MFA’s current staff of 65.
MFA BECOMES NEW MEXICO’S STATE HOUSING AGENCY

In 1997, MFA Executive Director Jim Stretz and the board of directors saw an opportunity for MFA to expand its scope of work by increasing the amount of federal funding coming into the organization. Stretz worked with Sen. Joseph Fidel of Grants and Sen. Ban Altamirano of Silver City to request a transfer of the Low Income Housing Tax Credits program and federal HOME funding from the state’s housing department to MFA. The request was part of House Bill 2, the state’s budget bill, and was submitted during the 1997 legislative session. Because then-Gov. Gary Johnson was very clear about his commitment to consolidate and create efficiency in state government, Stretz and the board were fairly confident the request would be approved.

However, Gov. Johnson line-item vetoed the transfer. Within a few days, MFA board president Jon Word and MFA’s legal counsel, Bruce Wiggins, arranged a meeting among themselves, Stretz and the governor to discuss the veto. The three explained to Gov. Johnson how transferring the programs to MFA would save the state money and would streamline the process of creating and preserving affordable housing.

Gov. Johnson not only reversed his veto as a result of the meeting, he made the decision to transfer all of the state’s housing programs to MFA. The new programs made MFA responsible for housing special populations, homelessness prevention and assistance, home rehabilitation and energy efficiency upgrades and the issuance of Low Income Housing Tax Credits to finance affordable housing development.

“Not only did the consolidation reduce administrative costs by 30 percent, it created a one-stop shop for affordable housing providers,” Stretz said in a recent interview. Records show that MFA saved more than $1 million in administrative costs in the first year alone.

“The consolidation was the right thing to do because it served a good public purpose.”
By July 1, 1997 - less than four months after Gov. Johnson signed an executive order making MFA the state’s housing finance authority - MFA had successfully incorporated all of the new programs while keeping its “tried and true” operations going. Per the governor’s instructions, MFA helped relocate the 20 employees who had been working at the state’s housing department to other state jobs, hiring three of them as MFA staff. A total of five new staff were hired in 1997, and more were added as the programs grew.

MFA took the position of overseeing and administering the new housing programs while empowering nonprofit providers, developers and other housing professionals to manage the daily program operations. For some of the programs, MFA hired experts and formed task forces to improve the delivery of services and increase capacity. According to Stretz, housing providers were thrilled because they could shape the way the programs were run and because they received reimbursements quickly.

“We never missed a beat,” Stretz said of the transfer of programs. “Nothing was lost and everything was gained. It’s a model that works well and one that other states have adopted.”

“From the 1992 reductions in New Mexico’s general fund expenditures for housing delivery to the January 1997 transfer of programs, it has been a time of testing and learning for everyone. We willingly accept the vote of confidence inherent in the transfer and are glad to report projected savings of close to $1 million in administrative costs alone this first year. Our challenge this year was to bring new tools alongside our ‘tried and true’ programs, and make the various resources go farther together than they ever had independently.”

— John Word, 1997

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Jon Word, MFA board chairman from 1994-2002. Word was instrumental in helping reverse Gov. Johnson’s initial veto of the transfer of state housing programs to MFA.
MFA’s single-family mortgage program, which is also known as the First-time Homebuyer Program, began in 1976 with Loans for Lenders. Under the program, MFA purchased loans made by local lenders that met MFA’s qualification guidelines. The first sale of $20 million Loans to Lenders bonds was in December of 1976, which made MFA operative and viable for the first time.

In 1978, MFA executed the first Mortgage Revenue Bond issue for $61.2 million. By 1979, the homebuyer program was going strong. That year MFA did a $175 million bond issue – the largest ever in New Mexico. In total, $530 million in bonds were issued from December 1976 to August 1979, providing a solid foundation upon which the new authority could build.

One of the first families to take advantage of MFA’s low interest rate mortgage loans was Eric Schmieder and his wife Jeannine Gauna. Through the First-time Homebuyer Program, MFA was able to provide them with an 8 percent rate even though interest rates at the time were 10 percent and rising. Almost 40 years later, not only does Schmieder still live in that house in Albuquerque’s Los Duranes neighborhood, he works for MFA as its tribal land specialist.

This page, top: Home of Eric Schmieder, MFA staff member. Schmieder was one of the first people to acquire an MFA-financed mortgage loan.

This page, bottom: Eric Schmieder’s home during construction in 1977.
“We were lucky and persistent,” Schmieder said of acquiring his home. “We found a parcel of land to build on that we loved. It was -- and is -- beautiful and wild. We helped build the house with dirt from Albuquerque. We weren’t looking to flip a house. We wanted a place to call ‘home.’”

Schmieder said it was important to him to create a permanent home for his family because he understood what home means. He grew up in the house where his mother was born and lived in until two years before her death. “Roots like that mean a lot. They really do,” he said.

Schmieder and his wife raised their two sons in the house MFA helped them buy. In 1999 they refinanced in order to buy a home down the road for their son. Schmieder’s son, daughter-in-law and two grandchildren still live there.

Sadly, Schmieder’s wife passed away in 2003 after a three-year illness. But it meant everything to his wife, he said, to spend the last years of her life in their home. “She was safe and comfortable in the house she helped build,” Schmieder said. “It gave her a lot of solace. I think about how these homes meant so much to my mother and wife -- the most important people in my life.”
MFA is still committed to the mandate it was given by the state legislature in 1975. Its mission has grown to include much more than providing low-interest rate mortgage loans. MFA now administers more than 30 programs that include affordable housing construction, homelessness prevention, rental assistance and home rehabilitation — programs that allow the organization to provide quality affordable housing opportunities to more than 80,000 New Mexicans every year.

“We are certain that the next 40 years will be as successful as the last. We will continue to develop innovative programs and find creative ways to meet New Mexico’s housing needs. And most importantly, we will continue to make sure that every New Mexico family has access to quality affordable housing.”

— Jay Czar, executive director of MFA

We are MFA, and we are Housing New Mexico.
Top to bottom, left to right:

Mr. Dennis R. Burt, Chair
Founder, Burt & Company CPAs, LLC

Mr. Angel Reyes, Vice Chair
President, Centinela Bank in Tamaqua

The Honorable John Sanchez
Lieutenant Governor

The Honorable Hector Balderas
Attorney General

The Honorable Tim Eichenberg
State Treasurer

Mr. Randy McMillan
President, NAI First Valley Realty, Inc.

Mr. Steven J. Smith
President, ROG Enterprises

MFA BOARD OF DIRECTORS
49,207
Families have become homeowners using MFA's low interest rate loans

10,904
Families have received assistance with down payment and closing costs

17,048
Affordable housing units have been built or preserved

75,180
Individuals have received rental assistance

169,434
Individuals experiencing homelessness have received emergency services

27,903
Families have had their homes rehabilitated or received energy efficiency upgrades