

NOTICE IS HEREBY GIVEN that the New Mexico Mortgage Finance Authority (MFA) will hold a public hearing at 10:00 a.m. on February 11, 2010, at the Mortgage Finance Authority (MFA) Board Room, 344 4<sup>th</sup>. Street SW, Albuquerque, NM 87102, to receive public comments concerning proposed amendments to the Affordable Housing Act Rules. All interested persons are encouraged to attend this public hearing to ask questions regarding the amendment and present their views. The proposed amendments are provided below.

Written comments will be accepted until 4:00 p.m., February 10, 2010, and should be submitted to Ms. Shannon Tilseth, Administrative Assistant, New Mexico Mortgage Finance Authority, 344 4<sup>th</sup>. Street SW, Albuquerque, NM 87102.

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, please contact Ms. Tilseth at (505) 843-6880 at least seventy-two (72) hours prior to the meeting. Public documents can be provided in various accessible forms. Please contact Ms. Tilseth if a summary or other type of accessible form is needed.

**Proposed Changes to Affordable Housing Act Rule 5.7A  
12142009**

The Board of Directors of the New Mexico Mortgage Finance Authority (“MFA”) has voted to amend the Affordable Housing Act Rules. The proposed amendment would change Rule 5.7A to permit recapture of affordable housing funds in the event the affordable housing ceases to be used as affordable housing, or is leased, sold or otherwise transferred to a non-qualifying person prior to the expiration of any required affordability period, in lieu of prohibiting absolutely the transfer or change in use of affordable housing during the affordability period.

In accordance with Section 10 of the AHA Rules the proposed amendment, delineated below, is presented for review and comments.

### **Statutory Language**

6-27-8 B(4): “The authority shall adopt rules covering: (4) a requirement for long-term affordability of a state, county or municipal project so that a project cannot be sold shortly after completion and taken out of the affordable housing market to ensure a quick profit for the qualifying grantee;”

Proposed Revision to Rule 5.7 A  
(added language is underlined; deleted language is striken)

#### A. Owner Occupied Single Family Property.

(1) Preservation of Affordable Housing. Qualifying Grantees shall agree that they shall maintain any owner occupied single-family property which has been acquired, rehabilitated, weatherized, converted, leased, repaired, constructed, or which property has otherwise benefited from Affordable Housing Funds, including but not limited to any loans which have been repaid with Affordable Housing Funds and which loans previously were secured by such properties, as Affordable Housing ~~for~~ so long as any or all of the Affordable Housing Funds which have been awarded, loaned, or otherwise conveyed to the Qualifying Grantee are unpaid and outstanding or the Affordability Period (defined below), which ever is ~~longer~~ less.

(2) Repayment, Recapture and Preservation of Affordable Housing Funds. Affordable Housing Funds which are used for the benefit of any owner occupied single-family property shall be repaid to the grantor or lender of the Affordable Housing Funds in the event the property is no longer used primarily as an owner occupied single-family property or the property is leased, sold, exchanged or otherwise transferred to a person who is not a Qualifying Grantee. The grantor or

lender that receives the repayment of Affordable Housing Funds shall recapture and preserve the Affordable Housing Funds solely for the purpose of providing Affordable Housing. If the grantor or lender of Affordable Housing Funds is unable or unwilling to receive, recapture, preserve and re-use such funds for Affordable Housing for any reason, including the liquidation or cessation of the business of the grantor or lender, the Affordable Housing Funds shall be paid to the MFA and deposited in the MFA's Housing Trust Fund or such other fund as the MFA may designate.

(3) Amount of Repayment and Recapture. The Affordable Housing Funds required to be repaid under paragraph 5.7A(2) is at least equal to the principal amount of the grant or loan, plus interest, if any, accrued on the loan or grant and any fees or costs of collection.