

***2014 Entry Form***  
**(Complete one for each entry.)**

Fill out the entry name ***exactly*** as you want it listed in the program.

**Entry Name** \_\_\_\_\_

**HFA** \_\_\_\_\_

**Submission Contact** \_\_\_\_\_

**Phone** \_\_\_\_\_ **Email** \_\_\_\_\_

Qualified Entries must be received by **Tuesday, July 1, 2014**.

For more information about Qualified Entries, [click here to access the 2014 Entry Rules](#).

Use this header on the upper right corner of each page.

**HFA** \_\_\_\_\_

**Entry Name** \_\_\_\_\_

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

## **Building Stability: MFA 2013 Annual Report**

NSCHA 2014 Annual Awards Entry

Communications: Annual Report

### **Overview**

In 2013, the New Mexico Mortgage Finance Authority (MFA) produced its first annual report in 15 years. The annual report replaced the State of Housing Report that MFA had issued bi-annually for many years. The State of Housing report was educational, detailed and encompassing but, with an average of 64 text-filled pages, the report had a limited readership. MFA's 2013 annual report, **Building Stability**, is designed to be read by a wider audience, to be more reflective of the work that MFA does on a daily basis and to be easily understood. With an annual printing, it will serve as both MFA's flagship document and also as a top-tier marketing piece.

### **Target audiences**

**Elected officials** use the annual report as an introductory resource about who MFA is and what we do – something that is important for a non-state agency. The report's infographics provide a clear snapshot of production numbers, giving elected officials critical information in a unique and visual format. Additionally, and perhaps most importantly, the annual report helps elected officials advocate for affordable housing policies and resources. For example, Representative Ben Ray Lujan (D-NM) consistently asks for success stories that he can share while advocating for affordable housing programs in the House of Representatives. The 2013 Annual Report allows Rep. Lujan and other state and federal officials to cite success stories and production statistics at will, rather than wait for MFA's government liaison to respond to specific requests. The personal stories in the annual report particularly build trust and rapport with state legislators by providing real-life housing success stories from around the state.

For most members of the **general public**, MFA is not a household name and affordable housing is not well understood. The annual report explains who MFA is, what we do and how we operate. Personal stories, rather than dry program descriptions, were specifically chosen to convey information in a way that is accessible for general public. The report includes information on how MFA was established and how it is overseen and audited in order to illustrate that MFA is accountable to those it serves.

The annual report highlights the pivotal role that MFA **housing partners** play in affordable housing. At MFA we often say that "we are only as strong as our partners." In each personal story in the annual report, MFA names the service provider, local community, housing authority and developer or manager in order to highlight the team effort required to provide affordable housing to the citizens of NM.

### **Strategic Objectives**

The following strategic objectives were consciously factored into the annual report's design and content.

1. Reflect the state's geographic and cultural diversity.

New Mexico is geographically large and culturally diverse. The fifth largest state in the nation, New Mexico ranks 37<sup>th</sup> in population, with just over 2 million residents. In rural areas of the state, multiple hours of travel often separate individual communities. As a result, there is a strong sense of local community but a lack of cohesion for the state as a whole. To complicate matters further, cultural diversity is clustered in several areas of the state. Northern New Mexico is home to long-time Hispanic families, Mexican immigrants are prevalent in colonia communities along the

southern border, and Native Americans live primarily on the Navajo Nation of northwestern New Mexico, in two Apache Nations and in 19 Pueblo communities located mainly along the Rio Grande River. To not sufficiently represent this diversity would be anathema for state residents. As shown below, MFA carefully selected the stories in its annual report to represent different areas and cultures of the state in a balanced way. In addition, a good cross section of partners and programs are highlighted.

<b>Story</b>	<i>Building Stability by Rehabilitating Homes pp. 6-7</i>	<i>Building Stability on Tribal Land pp. 8-9</i>	<i>Building Stability through Property Management pp. 12-13</i>	<i>Building Stability through Strong Communities pp. 14-15</i>
<b>Cultural Diversity</b>	Mexican immigrant family	San Felipe Pueblo family	Hispanic elderly resident	Potential renters
<b>Geographic Diversity</b>	Colonias of southern NM	Central NM	Northern NM	Southern NM, oilfields
<b>MFA Partner</b>	Tierra del Sol Housing Corp.	San Felipe Pueblo Housing Authority	Supportive Housing Coalition of NM	Chelsea Investment Corp.
<b>MFA Program</b>	Owner-Occupied Rehabilitation	Down Payment Assistance	Asset Management, Supportive Housing	Low-Income Housing Tax Credits

Cultural diversity was also shown throughout the design of the annual report, including the Spanish colonial-style mail box on the cover. MFA did not use stock art, since New Mexico's unique population and architecture is rarely captured with commercial photographs.

**2. Show sensitivity regarding New Mexico's fragile economy.**

New Mexico is one of the last states in the nation to recover from the Great Recession. This reality influenced both the design and the theme of the annual report. MFA opted for a report that is professional but not flashy, a paper weight that conveys substance not glossiness, and a theme—*Building Stability*—that speaks to New Mexico's ongoing recovery. New Mexico is not yet growing or expanding, but merely stabilizing, and the housing market is finally contributing to that stability. This theme was written into all of the stories by emphasizing the ways in which housing stabilizes people's lives, neighborhoods and communities—even in times of economic and personal difficulty.

**3. Focus on people, not programs.**

MFA, like most Housing Finance Agencies, administers multiple programs. In order to differentiate among more than 30 programs and systems, it is easy to slip into bureaucratic language and programing silos, which then often creeps into our communication with the public. MFA made a conscious decision to avoid this common pitfall by explaining its programs only through personal stories and accompanying photos with no “insider” language. While this made for longer stories, captions and pullout quotes in different fonts and sizes were used to provide a shorter version of each story for the more casual reader. However, MFA believed that the longer version of the stories were also valuable because several communicate a best practice that can be replicated. For example, San Felipe Pueblo Housing Authority's integrated approach to single-family development, construction employment and mortgage financing is a unique and innovative approach that has become a model for tribes nationwide. Similarly, the City of Hobbs' experience of redeveloping a

blighted multifamily property in the midst of a housing crunch is equally instructive for communities with similar challenges.

4. Highlight tangible results.

Whether it is mortgage loans, down payment assistance, single family and multifamily development, homeless families assisted, or homes rehabilitated and weatherized, we want our target audiences to understand MFA's significant impact in New Mexico. The message that our work produces real results is communicated through the production highlights infographic on pages 2-5 of the annual report, as well as photos of community events like ground breakings and ribbon cuttings on pages 10-11.

5. Reinforce accountability.

As described on page 2 of the annual report, MFA was created by the New Mexico State Legislature in 1975 as a governmental instrumentality of the state. Because MFA is not a state agency, it has to continually educate state officials and the general public about how it is managed and overseen. The annual report describes the MFA Board of Directors, the MFA Legislative Oversight Committee, as well as the numerous audits and financial reports through which we maintain accountability. While not all HFA annual reports contain this level of detail, this information is frequently requested by state boards and committees. By providing it outright, MFA bolsters its already strong credibility.

### **Effective Use of Resources**

While a quality annual report does require an allocation of resources, MFA kept costs down and generated efficiencies through the following creative approaches:

- Printing costs budgeted for the State of Housing Report were shifted to the annual report, since the State of Housing Report will no longer be printed.
- All interviews were conducted, written and edited by in-house staff.
- Professional photos taken for the annual report have been multi-purposed for newsletters, MFA's strategic plan, brochures and other collateral materials.
- The report was printed as a self-mailer to reduce postage costs.
- An electronic version of the report is housed on the MFA website and can be downloaded.
- Only 500 copies were initially produced to determine actual demand for the printed document; in future years, additional copies will be printed only if needed.
- The number of pages was limited to decrease cost and increase readability.

### **Benefits of the Annual Report**

MFA's first annual report in years has been an excellent investment. Multiple copies were provided to each member of New Mexico's congressional delegation during the NCSHA Legislative Conference. Every one of New Mexico state legislators received a hand-delivered copy during the 2014 state legislative session. The report was also distributed to housing partner organizations and local governments throughout the state. The report has been very well-received by all elected officials. Partner organizations have expressed ownership and pride for having their work featured in the report. The families and individuals highlighted in the stories are gratified to share their experiences to benefit others. The marketing generated by the annual report itself has far exceeded the cost, and unexpectedly, the process of developing the report has enriched partnerships with MFA partner organizations, local communities and end users. Sometimes the process is just as important as the product.



# BUILDING STABILITY

All of us at MFA are pleased to present you with our annual report for 2013 – Building Stability. MFA finances the construction of affordable homes and apartments, offers mortgage and down payment assistance for homebuyers, provides oversight for affordable housing communities and manages programs that help individuals transition out of homelessness and make their homes safer places to live.

MFA does many things, but we never lose sight of our first priority: the people of New Mexico. We know that for a family to thrive and grow, they must have the stability that comes through a safe affordable place to live. We are committed to providing every New Mexican the opportunity to have a quality home that they can afford – a secure place full of wonderful memories where families gather and neighbors know each other.

In this report, you'll read about people who have found housing stability through homeownership, supportive housing communities, housing rehabilitation and other MFA programs. You'll also find stories that illustrate how stable housing not only benefits families but also helps create stronger neighborhoods and communities.

Our promise is that, working side-by-side with our outstanding partners, we will continue to create quality affordable housing opportunities in New Mexico. We are MFA, and we are Housing New Mexico.

Sincerely,

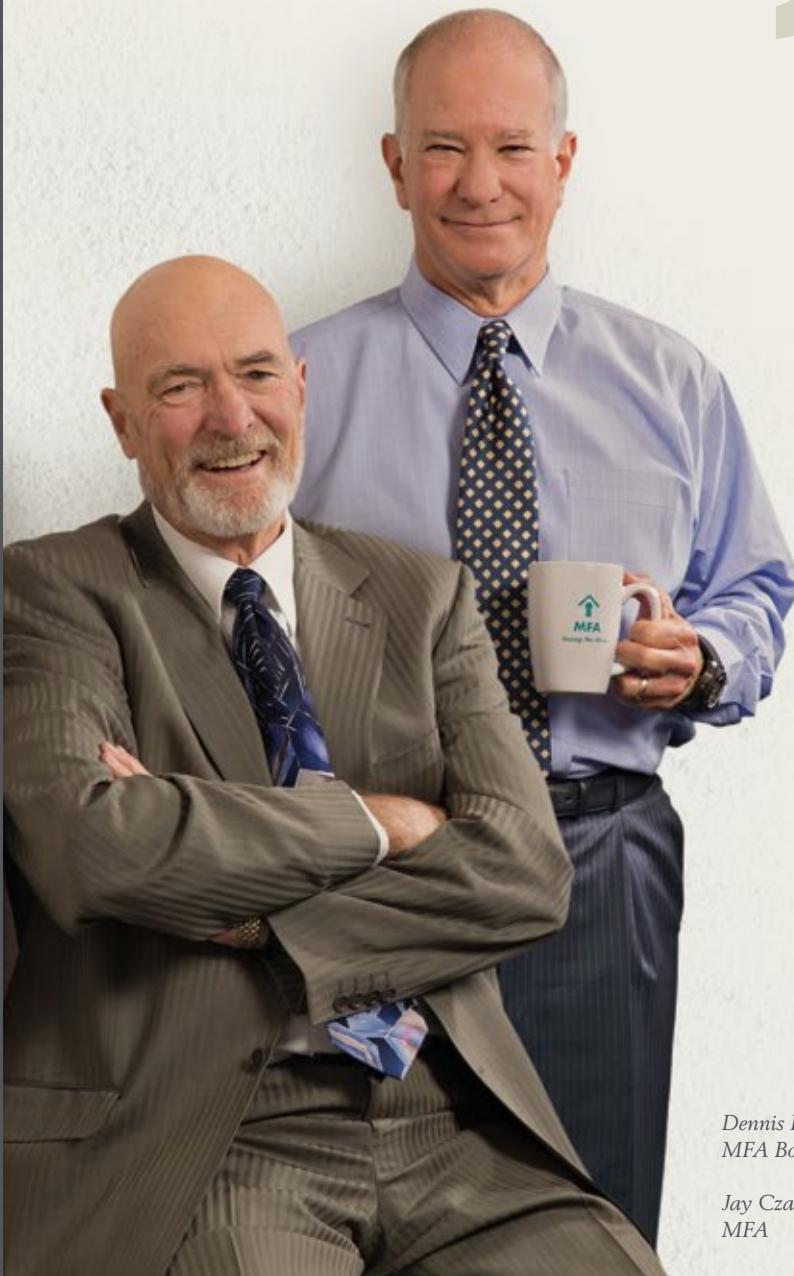


Jay Czar  
Executive Director



Dennis Burt  
Chairman, Board of Directors

‘‘ Providing  
**QUALITY AFFORDABLE**  
housing opportunities ensures  
**STABILITY**  
for the families & communities of  
**NEW MEXICO** ’’



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Dennis Burt (left), Chairman, MFA Board of Directors

Jay Czar (right), Executive Director, MFA

The New Mexico Mortgage Finance Authority (MFA) was created in 1975 by the New Mexico State Legislature to provide quality affordable housing opportunities for all New Mexico residents.

MFA uses housing bonds, tax credits and other federal and state resources to fund more than 30 housing programs. Programs include mortgage and down payment assistance for homebuyers, construction and rehabilitation of affordable for-sale and rental homes, homelessness prevention and emergency shelter, weatherization services, rental assistance and housing for people with special needs. MFA administers these programs through partnerships with public and private funders, developers, real estate agents, mortgage lenders, non-profit service providers and local governments.

## Assisting Homeowners and Renters

### 2013 PRODUCTION HIGHLIGHTS

In 2013  
MFA provided  
**\$222 MILLION**  
in low-interest financing  
and grants for  
affordable housing  
and related services  
throughout  
New Mexico.



MFA provided  
**\$133,000,000**  
in loans to  
**1,075** homebuyers  
all of whom received  
pre-purchase counseling.

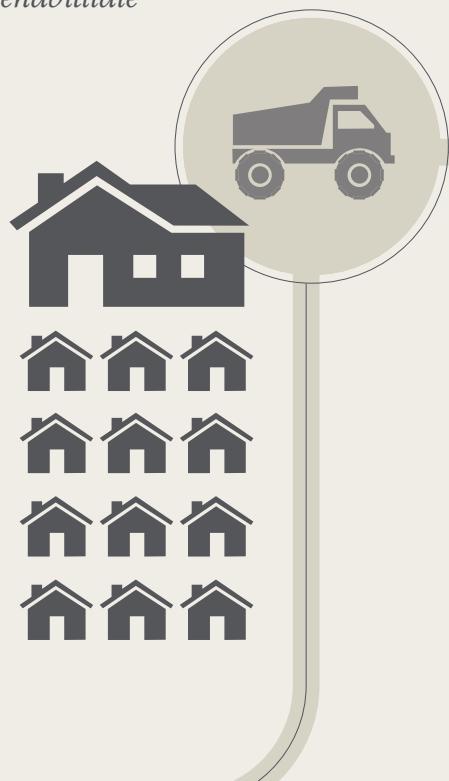
MFA provided  
**\$6,000,000**  
in down payment assistance  
loans and grants to  
**1,111** homeowners



MFA processed  
**\$27,000,000**  
in project-based Section 8 rental  
assistance payments for  
**5,297** apartments  
occupied by low-income households  
throughout New Mexico.

Helping Build Affordable Housing

MFA provided nearly  
**\$43,000,000**  
in financing to construct or rehabilitate  
**744 rental homes**  
including 191 units  
already in the pipeline.



MFA funded more than  
**\$9,000,000**  
to rehabilitate homes and  
improve energy-efficiency for  
**861 low-income homeowners**

Housing Those in Need

MFA funded more than  
**\$2,000,000**  
in loans to construct or acquire,  
rehabilitate and resell  
**119 affordable for-sale homes**  
including 40 units  
already in the pipeline.



MFA funded nearly  
**\$1,000,000**  
in shelter, transitional housing  
and operating costs for  
**8,249 individuals experiencing homelessness**

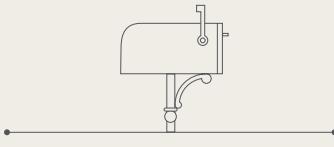


and  
**\$860,000**  
in homelessness prevention  
measures for  
**394 households at risk of becoming homeless**

BUILDING STABILITY

by

# REHABILITATING HOMES



## IMPROVING HOUSING CONDITIONS *in the Colonias*

After coming to the United States more than 27 years ago, Juan and Priciliana Gonzalez and their eight children lived in a small travel trailer in Vado. Eventually, the family bought a larger travel trailer, but because it was old, the trailer could not be hooked up to the natural gas line that ran through their property. To keep his family warm and fed, Juan connected four five-gallon propane tanks to the stove, hot water heater and two space heaters. But the makeshift system created an extremely dangerous living environment, which became even more dangerous when one of the propane tanks developed a leak.

Three years ago, one of Juan's neighbors had their home rehabilitated by Tierra del Sol Housing Corporation, one of MFA's non-profit partners in southern New Mexico. Juan asked Tierra del Sol staff if it would be possible to make repairs to his home, too.

Mike Rudloff, Tierra del Sol's Housing Rehabilitation Program manager, helped the Gonzalez family apply for the House by House Rehabilitation Program, which provides funding for low-income homeowners to make necessary repairs. But the Gonzalez home needed so much work, Rudloff said, it was determined to be more cost effective to replace it with a brand new manufactured home.

MFA receives funding for housing rehabilitation from the U.S. Department of Housing and Urban Development. It awards the funds to housing authorities, non-profit organizations and local governments who administer the program in rural areas of the state. Tierra del Sol has administered the House by House Rehabilitation program in the colonias of Doña Ana County for MFA since 1999.

When Juan was first told that he was going to have a new home, he had a hard time believing it could be true. But when the keys to his new house were placed in his hand, Juan's dream became a reality.



Juan and Priciliana Gonzalez stand outside their new manufactured home in Vado. The House by House Rehabilitation Program provided a new manufactured home for the Gonzalez family, who spent years living with their eight children in a travel trailer. "We now have heating and cooling, and there is no danger from portable gas," Juan said. "We have reached the American Dream."

**“ When Mike gave us the keys to our new home, we didn't know whether to cry, yell, or just hug him! ”**



BUILDING STABILITY

ON  
**TRIBAL  
LAND**



SAN FELIPE PUEBLO  
HOUSING AUTHORITY

Building affordable housing on tribal land is difficult. And purchasing a home on tribal land can be even more complicated. But the San Felipe Pueblo Housing Authority (SFPHA) has developed innovative solutions for both housing construction and home purchases on tribal land. These creative solutions for creating stable housing are rapidly becoming a model for tribes across the nation.

Traditionally, tribal housing authorities depended on annual U.S. Department of Housing and Urban Development (HUD) grants to fund operations and construction projects. But grant funding covered construction costs for only a handful of homes each year, which didn't begin to meet the critical need for tribal housing. Cuts to the federal grant program have made things even worse.

SFPHA made the landmark decision to leverage four years of future HUD grants with the HUD Title VI loan program to fund a large construction project. The inventive idea resulted in the development of Black Mesa View, a 132-home subdivision on the pueblo. Not only did the project allow the housing authority to build the houses at a lower cost, but almost all of the 36-person construction crew lives on the San Felipe Pueblo.

"I know most of the people we're building houses for – they're my cousins, nieces, uncles," said Vernon Trancosa, who has had a construction job with the housing authority for almost four years. "It feels good when you see them walk into their new homes."

In addition to providing Vernon a construction job, SFPHA's creative approach benefited him and his family in another way. Almost a year ago, using a special mortgage program created by SFPHA, Vernon was able to buy one of the new homes he helped build. The SFPHA mortgage program allows the housing authority to act as both borrower and lender, paying off the Title VI loan with HUD Section 184 loans to SFPHA. Tribal members work directly with the housing authority to become mortgage-ready, receive financial literacy and pre-purchase counseling and purchase homes with a tribal mortgage.

Most tribal members qualify for MFA's down payment assistance and Indian Community Development Block Grants. The assistance puts the average home loan at a very affordable \$86,000 with a 3.75 percent interest rate.

SFPHA also uses MFA's Primero program for refinancing, remodels and rehabilitations. "The Primero program finances important housing needs that traditional lenders don't finance," said Isaac Perez, executive director of SFPHA. "We are proud to partner with MFA in offering innovative solutions for our community."

**“Now I can call  
my house HOME.”**

*Barbara, Vernon and Tyrell Trancosa stand in front of their new home, which Vernon helped construct, on the San Felipe Pueblo. Vernon was able to purchase his first home through an innovative mortgage program designed for tribal members.*

# 2013

## COMMUNITY EVENTS



03.07.13 Casitas de Colores groundbreaking with Albuquerque Mayor Richard Berry, Albuquerque.



03.18.13 Luna Lodge ribbon cutting, Albuquerque.



01.24.13 Housing Matters press conference at the state capitol, Santa Fe.



04.18.13 Sundowner groundbreaking, Albuquerque.



05.29.13 Hooghan Hózhó groundbreaking with Navajo Nation President Ben Shelley, Gallup. Photo: John Vant'land.



06.25.13 Stage Coach ribbon cutting with NM Economic Development Dept. Cabinet Secretary Jon Barela, Santa Fe.



06.27.13 Robledo Ridge ribbon cutting, Las Cruces.



08.19.13 Mesa del Norte grand opening with YES Housing President and CEO Chris Baca, Los Alamos.



10.20.13 Board of Directors community meeting with Mayor Sam Cobb, Hobbs.



10.28.13 Sleepy Hollow grand opening, Albuquerque.

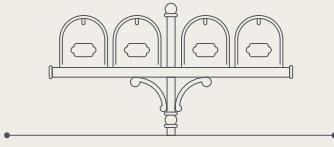


11.08.13 Weatherization Day with Congressman Ben Ray Luján, Española.

A close-up photograph of an elderly woman with glasses and a hat, sitting in a chair. She is wearing a blue scarf and a brown jacket. In the background, there is a building with yellow columns.

BUILDING STABILITY

through  
**OUTSTANDING  
PROPERTY  
MANAGEMENT**



VISTA GALLINAS  
SUPPORTIVE HOUSING  
*in Las Vegas*

Every year, New Mexico communities celebrate ribbon cutting events for newly constructed or rehabilitated affordable apartment complexes. But these celebrations are really just the beginning of the story. For the next 20 to 45 years, affordable construction projects that utilized federal funding are required to maintain the property as affordable rentals for low-income households.

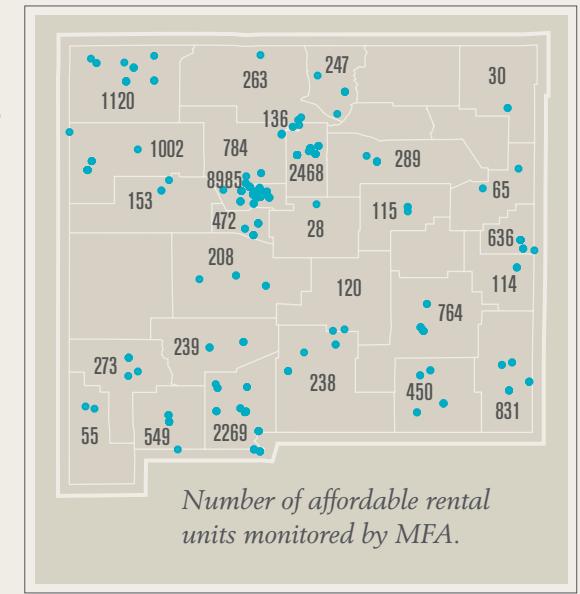
MFA's Asset Management Division monitors more than 350 affordable apartment properties with a total of 22,903 units throughout New Mexico. Staff ensures that rental rates comply with federal regulations, tenants meet income criteria and apartments are safe and in compliance with national standards for physical condition. The majority of property managers receive an in-person monitoring visit by MFA staff every year.

Vista Gallinas Apartments in Las Vegas is one of the affordable rental communities MFA monitors. Vista Gallinas, which opened its doors in 2010, is a 15-unit property owned and managed by the Supportive Housing Coalition of New Mexico. Units are reserved for residents with mental or physical disabilities, many of whom are elderly. Residents have access to a variety of support services including case management and health care.

"We want to provide an environment where residents feel safe and secure," said Paula Harper, executive director of the Supportive Housing Coalition. "I tell my management staff that if they wouldn't want to live here, no one else should, either."

Virginia Martinez Rubio came to Vista Gallinas two years ago after she fell and broke her hip. The 88-year-old was living alone at her family's ranch, 30 miles outside of Las Vegas.

"The apartments are excellent," Rubio said. "It is wonderful that there is a place for us. I have good neighbors that I can talk to, and I am happy here."



Virginia Martinez Rubio, 88, came to Vista Gallinas two years ago after she broke her hip.

**These apartments were designed for us,  
I am very grateful to live here.**



## BUILDING STABILITY

# by BUILDING STRONG COMMUNITIES



## PARK PLACE APARTMENTS *in Hobbs*

Times are good in Lea County. The oil business is booming, oil and gas fields are plentiful and good jobs are available for the taking. But one thing is in very short supply: affordable workforce housing. Hobbs, Lea County's principal city, has had a near-zero housing vacancy rate for the last several years. As a result, many workers are forced to live in motels, campers and older housing built in the 60s, 70s and 80s.

Casa Hermosa was an 88-unit apartment complex in Hobbs that was in an advanced state of disrepair. Forty percent of the units were completely uninhabitable, and the rest were crumbling. But because there was nowhere else to go, residents stayed on, making the best of a rapidly deteriorating situation.

However, Hobbs Mayor Sam Cobb and other city leaders knew that a strong community must have quality permanent housing for its workforce. The city formed a partnership with developers Chelsea Investment Corporation and Lea County Housing, Inc. to launch a massive rehabilitation project at Casa Hermosa. With more than \$9 million in funding from MFA and a grant and waivers from the city of Hobbs, each unit has received more than \$80,000 in direct hard cost upgrades to the unit's interiors and exteriors.

"Working with the city of Hobbs has been a very refreshing experience," said Matt Grosz, project manager from Chelsea Investment Corporation. "They are very business friendly and open and eager to do whatever it takes to make their community better."

The Casa Hermosa rehabilitation was financed largely through MFA's Low Income Housing Tax Credit program. MFA receives New Mexico's allocation of housing tax credits each year, which are then allocated through a competitive process to fund the construction and rehabilitation of affordable rental housing throughout the state.

Casa Hermosa is now called Park Place. From its new name to its new architecture, color schemes, landscaping and interiors, the property is hardly recognizable as the rundown place it was before. "We're proud of the project and how we've been able to transform the property," said Cheri Hoffman, president of Chelsea. "Residents are grateful for the increase in the quality of their housing and their quality of life."

Perhaps no one is prouder of Park Place than Mayor Cobb. "This rehabilitation project is an excellent example of how Chelsea Investment Corporation, a private developer, MFA and the City of Hobbs can come together to remove an eyesore in our community and provide aesthetically pleasing and affordable housing for the residents of Hobbs," he said.



*"We look forward to more rehabilitation projects and new housing construction with Chelsea, other private developers and MFA in order to benefit the residents of our community," said Mayor Cobb.*

# MFA FINANCIAL PERFORMANCE

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following table is a condensed summary of changes in net position for the years ended September 30, 2013 and 2012 (in thousands):

	2013	2012
<b>OPERATING REVENUES</b>		
Interest on loans and MBS	\$ 45,875	53,422
Interest on securities and investments	4,176	4,434
Program revenues	1,314	1,626
Net increase in fair value of investments*	(40,916)	(1,723)
Loan and commitment fees	2,312	2,332
Administrative fees and other revenues	2,896	9,861
<b>Total Operating Revenues</b>	<b>\$ 15,657</b>	<b>69,952</b>
<b>OPERATING EXPENSES</b>		
Interest Expense	42,199	49,648
Administrative fees and other expenses	9,972	12,278
<b>Total Operating Expenses</b>	<b>\$ 52,171</b>	<b>61,926</b>
<b>Operating (Loss) Income</b>	<b>\$ (36,514)</b>	<b>8,026</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Grant Award Income	47,174	57,690
Grant Award Expense	(47,174)	(57,690)
State Appropriations	3,000	-
Land Title Trust Fund contributions	9	12
Land Title Trust Fund grant distributions	-	-
<b>Change in Net Position</b>	<b>(33,505)</b>	<b>8,038</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>\$ 270,782</b>	<b>262,744</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$ 237,277</b>	<b>270,782</b>

\* MFA is subject to GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. These asset valuation adjustments do not represent operating expenses.

## FINANCIAL POSITION

The following table is a condensed summary of net position at September 30, 2013 and 2012 (in thousands):

ASSETS		LIABILITIES		NET POSITION	
2013	2012	2013	2012	2013	2012
current \$47,512				invested in capital assets, net of related debt (\$672)	
current \$51,058		current \$31,499			
noncurrent \$1,151,692		noncurrent \$933,974		restricted \$87,896	
				restricted (\$575)	
				restricted \$128,114	
				restricted for Land Title Trust and Housing Trust Funds \$24,512	
				restricted for Land Title Trust and Housing Trust Funds \$20,913	
				unrestricted \$125,541	
				unrestricted \$122,330	
<b>\$1,202,750</b>	<b>\$1,391,229</b>	<b>\$965,473</b>	<b>\$1,120,447</b>	<b>\$237,277</b>	<b>\$270,782</b>

## FINANCIAL HIGHLIGHTS

The Authority's overall financial position and results of operations for the current and most recent prior year is presented below (in thousands):

	2013	2012
Cash and cash equivalents (unrestricted and restricted)	\$ 98,367	\$ 155,426
Investments (unrestricted and restricted)	55,640	50,319
Mortgage-backed securities and mortgage loans receivable	1,033,274	1,168,012
Total Assets	1,202,750	1,391,229
Bonds Payable	952,351	1,104,990
Total Liabilities	965,473	1,120,447
Total Net Position	237,277	270,782
Total Operating Revenues	15,657	69,952
Total Operating Expenses	52,171	61,926
Operating Income	(36,514)	8,026
Total Nonoperating Revenues	3,009	12
Change in Net Position	\$ (33,505)	\$ 8,038

## SUMMARY OF MFA AUDITS 2007–2013

AUDIT	FREQUENCY*	AUDITING AGENCY	AREAS AUDITED*
Internal Processes and Procedures	On-going	REDW, at the request of the MFA Board	Internal processes, functions, procedures, programs, departments
Quality Control, Servicing	Monthly	REDW, at the request of the MFA Board	Mortgage loan servicing functions
Financial Statement and Single Audit	Annually	NM Office of the State Auditor, KPMG	Fiscal year-end financial statements, internal controls, compliance with federal programs
Quality Control, Section 8 Administration	Annually	REDW, at the request of the MFA Board	Section 8 Administration work plan
PBCA's Section 8 Program	Annually	Housing and Urban Development	Section 8 Administration work plan
HOME, ESG, HOPWA, RHED, Housing Counseling Program	Annually	Housing and Urban Development	Program administration and compliance
Weatherization Program	Annually	Department of Energy	Program administration and compliance
State of New Mexico	Annually	Department of Finance, Human Services Department	Program administration and compliance with joint powers and grant agreements
Affordable Housing Disposition Program	Annually	FDIC	Program compliance and monitoring of properties
Loan Servicing	Annually	Housing and Urban Development	Mortgage loan servicing functions, claims submitted, loss mitigation
State of New Mexico	Upon Discretion	NM Office of the State Auditor	Financial statements and/or joint powers agreements
Internal Revenue Service	Upon Discretion	IRS, Department of Treasury	Non-taxable bond issues, tax returns of bond arbitrage rebate calculation, tax credit allocations
Loan Servicing	Upon Discretion	Fannie Mae, Freddie Mac, Ginnie Mae	Mortgage loan servicing functions

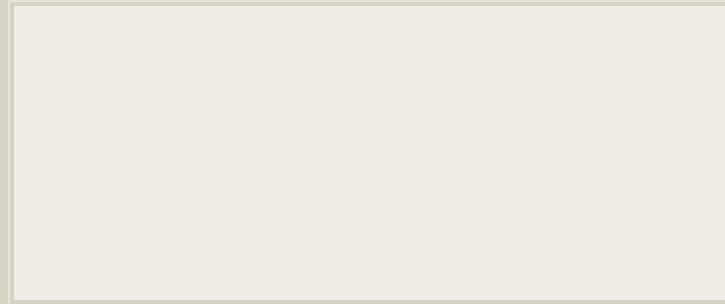
\* Subject to the discretion of the auditing agency.



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