

**PROGRAM:** MFA Primero Investment Fund

**AGENCY:** Mortgage Finance Authority

**DESCRIPTION:** MFA's Primero Loan Program is a flexible, low cost loan program created in 1993 to finance the development of affordable rental or special needs residential facilities in New Mexico that would be considered "high risk" by traditional lenders. Its goal is to leverage other public and private funds, and to expand the housing development capacity of New Mexico's nonprofit, tribal and public agency housing providers.

**ELIGIBILITY:**

- Public and tribal agencies, for profit and nonprofit sponsors are all eligible. Applicants must provide evidence of businesslike organizational operations, as well as experience in housing development or use of an experienced development team.
- Funding may be approved for specific housing developments, or for programs to be operated by agencies to meet local housing needs. Rental, owner occupied and special needs projects of any size may be financed under this program, during any stage of the development process. New construction, conversion, and acquisition/rehabilitation projects may be financed. Service programs that enhance the delivery of financing to underserved markets may also be provided under contract to MFA.
- Currently (June 2006), Primero's four initiatives focus on tribal housing, colonias housing, rehabilitation, and manufactured housing, so these categories will receive priority.

**STRUCTURE:**

- Development loans will be underwritten and structured according to sound lending practices. However, interest rates are determined at MFA's discretion, typically below market.
- Primero Loans are repaid through subsequent financing sources, or in some cases through cash flow.
- Terms cannot exceed 5 years but loans do not have to be amortized during their term.
- Loans are secured whenever possible but they may be subordinated to other debt.
- The maximum loan amount is \$1 million, and availability of funds varies from time to time.
- Application forms can be obtained from MFA and submitted at any time.
- All loans are reviewed by staff, and loans above a proscribed amount will be approved by the Board of Directors. Discussions with staff are recommended prior to preparation of applications, to identify appropriate application materials and make initial eligibility determinations. Forms: [www.housingnm.org/Developer/devAppsRefs.htm#primero](http://www.housingnm.org/Developer/devAppsRefs.htm#primero)

**QUALIFICATIONS/CRITERIA:**

- All projects and programs must be responsive to clearly identified housing needs. Income and/or rent limits will apply to all projects and programs, but these will differ with the type of activity proposed. Applicants must deliver commitments from other sources of funds, or evidence that such funding is unavailable. For more information, contact Linda Bridge, Senior Development Program Manager, Main: (505) 843-6880 Direct: (505) 767-2262. [infomfa@housingnm.org](mailto:infomfa@housingnm.org)
- Visit the MFA's homepage at <http://www.housingnm.org/> or call (505) 843-6880 (800) 444-6880 (Toll free in New Mexico)