

PROGRAM: MFA HOME/Single Family Development Gap Financing

AGENCY: The Mortgage Finance Authority

DESCRIPTION: The HOME/Single Family Development Program provides partial or “gap” financing to nonprofit and for-profit developers, public and tribal entities, and Community Housing Development Organizations (CHDOs) for the construction, acquisition and rehabilitation of single family homes throughout New Mexico.

ELIGIBILITY:

- Units financed with HOME funds must be affordable to households earning no more than 80% of the area median income adjusted for family size.
- Units of local government, public housing authorities, nonprofit and for-profit developers, public and tribal entities, and CHDOs are eligible to apply.
- Applicants must demonstrate the financial strength, organizational capacity and commitment to complete the project.

STRUCTURE:

- HOME/SFD provides junior mortgages with below-market interest rates, and other advantageous loan terms tailored to the needs of the projects.
- HOME funds may be used in combination with other down payment and closing cost assistance programs. However, all HOME subsidies combined can't exceed \$30,000 per unit.
- The use and timing of HOME funds will be determined by MFA at the time of application and may take two forms:
 - HOME funds may be provided at the time of the sale to the homebuyer, and will be used to fill the financing gap between what the homebuyer can afford and the sales price of the home; or
 - At the discretion of MFA, HOME funds may be provided earlier and used as interim construction financing.

QUALIFICATIONS/CRITERIA:

- The property must be located in New Mexico but may NOT be located within the city limits of Albuquerque or Las Cruces.
- The sales price of the property to be acquired by a homebuyer may not exceed 95% of the area median purchase price for that type of housing, as published by HUD.
- Upon completion the home must meet the Model Energy code, accessibility requirements under the Fair Housing Act, and local building codes.
- Applications must demonstrate that HOME funds are needed and will enhance affordability. Davis Bacon wage rates are required in some cases. The long-term affordability of the property is ensured through a junior mortgage to the homebuyer.
- This loan may take the form of a deferred payment, 0% interest loan, or as a below-market amortizing loan.
- HOME funds must be repaid upon sale or transfer to an ineligible buyer, or refinancing of the property.
- For forms and applications: <http://www.housingnm.org/Developer/devAppsRefs.htm#rental> or contact Linda Bridge: Senior Development Program Manager, Main: (505) 843-6880, Direct: (505) 767-2262
- Visit the MFA's homepage at <http://www.housingnm.org/> or call (505) 843-6880 (800) 444-6880 (Toll free in New Mexico)