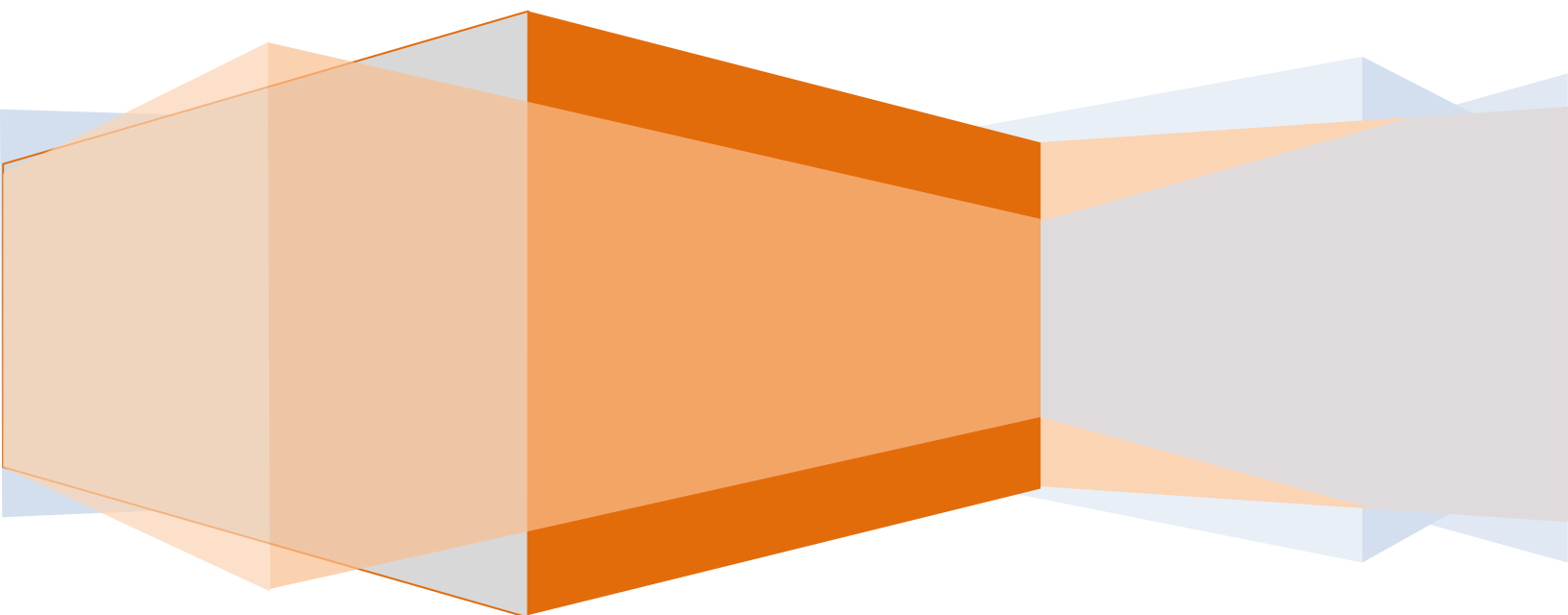


Affordable Housing Resources for New Mexicans

Benefits, eligibility criteria, how to apply, and more!

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Public Housing

Public housing is affordable government-owned rental housing for low and moderate-income families and individuals, seniors, and people with disabilities.

What Is Public Housing?

Public housing is low-rent housing built with government money. In cities throughout New Mexico, the Federal and state governments build public housing to provide affordable apartments for low and moderate-income families, elderly persons, and persons with disabilities. Local housing authorities run public housing programs in New Mexico.

Local housing authorities run public housing programs in New Mexico. The U.S. Department of Housing and Urban Development (HUD) maintains a list of New Mexico housing authorities.

What public housing developments are in New Mexico?

Each housing authority generally has separate housing developments for families, for the elderly, and for people with disabilities. Some developments are mixed and have units for different types of households. Your local housing authority can tell you the types of public housing available in your community. The New Mexico Mortgage Finance Authority also maintains a database of affordable housing.

Am I Eligible?

To be eligible for public housing, you and other members of your household must meet income guidelines. Eligibility for Public Housing and Section 8 voucher programs is based on gross income and family size by city.

For example, this might mean that a family's income cannot exceed 50% of the area's median income. **The following table shows the 2013 income limits for Albuquerque only.** Contact your [local housing authority](#) to get the income limits in other cities.

If your family size is:	Your annual income must be less than:
1	\$22,050
2	\$25,200
3	\$28,350
4	\$31,450
5	\$34,000
6	\$36,500
7	\$39,000
8	\$41,550

Is there a waiting list?

In some cities and counties the demand for housing assistance exceeds program resources. This means that some qualified applicants must be placed on a waiting list. Check with your [local housing authority](#).

Who gets preference?

Each housing authority has its own preferences for public housing and lists its preferences in writing. You should ask for the list of preferences to see if you qualify. If you qualify for a preference, you will have to show proof of the circumstance.

For example, some local preferences for applicants include those who are going to school, who are employed, who are participating in welfare-to-work or job training programs, or for applicants who are disabled. Applicants who receive one or more of these preferences will move ahead of those with no preferences on the waiting list, if there is one.

What Benefits Will I Get?

How is rent determined?

Your rent, which is referred to as the Total Tenant Payment (TTP) in this program, would be based on your family's anticipated gross annual income, less any deductions. HUD regulations allow housing authorities to exclude from annual income the following allowances:

- \$480 for each dependent
- \$400 for each elderly family member or member with a disability
- Medical deductions for families headed by an elderly person or a person with a disability

Based on your application, the housing authority representative will determine if any of the allowable deductions should be subtracted from your annual income. Annual income is the anticipated total income from all sources received from the family head and spouse, and each additional family member age 18 or over.

How long can I stay in public housing?

In general, you may stay in public housing as long as you comply with the lease. If your family's income changes significantly, the local housing authority will determine whether your family is able to stay in public housing. You will not be required to move unless there is affordable housing available for you in the private market.

How Do I Apply?

Where to I apply for public housing?

If you are interested in applying to be a resident in a public housing community or for a Section 8 voucher, visit your local housing authority office to fill out an application packet.

Housing authority personnel can help you fill out the application, or you can get help at many community service organizations.

- See the list of [New Mexico Public Housing Authorities](#) for contact information.

Once you file your application, your name will be put on a waiting list. If you qualify in a special preference category, your name will be placed above others on the waiting list. See Public Housing Preferences.

Sometimes the housing authority stops adding names to the waiting list because it gets too long. If you are told that the waiting list is closed, you should ask when it will reopen, and check back periodically.

What information is required to apply?

1. Names of all persons who would live in the unit, their gender, date of birth, and relationship to the primary applicant;
2. Your present address and telephone number;
3. Family characteristics or circumstances that might qualify the family or tenant under selection preferences (see Who gets preference? below);
4. Names and addresses of your current and previous landlords for information about your family's suitability as a tenant;
5. An estimate of your family's anticipated income for the next twelve months and proof of current income; and
6. Birth certificates and social security cards for each family member are required.

Are there other requirements?

Potential applicants should know that there is a national "One Strike--You're Out" policy to assure safe and healthy environments in public housing communities. Background checks are also conducted with local police on all family members 18 years of age and over.

Section 8

Section 8 tenant-based vouchers help low-income families pay their monthly rent costs. Families with tenant-based vouchers can use their vouchers for any rental unit they choose that meets the program requirements. If you are a landlord who would like to know more about the Section 8 program, see our [Landlord's Guide](#).

Data used to determine federal housing program eligibility and benefits, from the U.S. Department of Housing and Urban Development, including:

What Is Section 8?

Section 8 is a federal rental assistance program, also known as the Housing Choice Voucher Program. Section 8 is the federal government's largest program to help low-income families, seniors, and the disabled pay for safe, decent housing.

Section 8 includes tenant-based vouchers, project-based vouchers, homeownership vouchers, conversion vouchers, family unification vouchers, vouchers for people with disabilities, and welfare-to-work vouchers. Section 8 usually refers to the Section 8 tenant-based voucher program.

What are Section 8 tenant-based vouchers?

Section 8 tenant-based vouchers are rent subsidies given to low-income families who live in rental housing that is not public housing or subsidized housing. Families pay about 30% of their income for rent, and Section 8 pays the rest.

Families with Section 8 tenant-based vouchers choose their own housing. They may choose any rental unit they want, as long as the rent is reasonable, the size is appropriate for the family, and the unit is safe and clean. If the family moves, they can use their voucher elsewhere.

Tenant-based vouchers are different from project-based vouchers, which can only be used in a particular housing development. A family with a project-based voucher pays a low rent only if they stay in the subsidized housing development.

Who runs the Section 8 voucher program?

Section 8 is a national, federally funded program, operated by the U.S. Department of Housing and Urban Development (HUD). Local housing authorities throughout the U.S. apply for Section 8 funds to run local programs.

In New Mexico, Public Housing Authorities (PHAs) run the Section 8 program. PHAs take applications, set preferences, maintain waiting lists, determine eligibility, and distribute vouchers. See the list of [New Mexico Public Housing Authorities \(PHAs\)](#) for contact information.

Who is in charge of fraud prevention?

The HUD Office of the Inspector General (OIG) is in charge of fraud prevention for Section 8. The OIG makes sure that Section 8 money is used to help the people it is intended to help. The OIG investigates complaints about tenants, landlords, businesses, or agencies that are not following the rules of the Section 8 program.

The OIG maintains a Hotline for reporting fraud:

- By telephone, toll-free: 1-800-347-3735
- By e-mail: hotline@hudoig.gov
- By fax: 202-708-4829
- By mail:
- HUD OIG Hotline (GFI)
451 7th Street, SW
Washington, DC 20410

For more information, see [Fraud, Waste, and Abuse Complaints](#) on the HUD web site.

Am I Eligible?

GENERAL ELIGIBILITY

Families applying for Section 8 vouchers must have at least one family member who is a U.S. citizen or eligible noncitizen. Housing authorities may deny vouchers to families that have been involved in criminal drug activity, violent behavior, or housing fraud. There are no work requirements for Section 8 tenant-based vouchers.

Who is eligible for Section 8 vouchers?

To be eligible for a Section 8 [tenant-based voucher](#):

- you and the people who live with you must meet the definition of a "family" (see [What is the definition of "family?"](#))
- the head of household or spouse must be 18 or older, or an emancipated minor
- your family must meet the income limits (see [Financial Eligibility](#))
- at least one family member must be a U.S. citizen or eligible noncitizen
- you must provide the Social Security numbers of all family members age 6 or older who have been issued SSNs

You are not eligible for a Section 8 voucher if:

- any family member was evicted from federally assisted housing for drug-related criminal activity in the past three years

- any family member refuses to sign a consent form allowing the housing authority to obtain the information it needs to determine eligibility

You might not be eligible for a Section 8 voucher if:

It is up to the housing authority to decide if your family will be eligible for a voucher in any of these situations.

- any family member has a history of criminal drug activity or violent criminal behavior
- any family member has been evicted from federally assisted housing in the past five years
- any family member is required to register as a sex offender
- your family owes rent or other money to a public housing authority for a Section 8 or federal public housing program
- any family member committed fraud, bribery, or another criminal act in connection with any federal housing program (for example, you gave false or incomplete information on an application)
- the housing you plan to rent is owned by a family member or other close relative

What is the definition of "family?"

To be eligible for a Section 8 voucher, you and the people who live with you must be a "family." A family is either a single person or a group of persons and includes:

- A household with or without children. A child who is temporarily away from home due to placement in foster care should be considered a member of the family.
- An elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 62 years of age; or two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides.
- A disabled family, which means a family whose head, co-head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities; or one or more persons with disabilities with one or more live-in aides.
- A displaced family, which is a family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws.

The public housing authority decides if a group of people applying for Section 8 meets the definition of a "family."

Can noncitizens get Section 8 vouchers?

Your family can get a Section 8 voucher if at least one member of your family is a U.S. citizen or an eligible noncitizen and you meet the other general and financial eligibility requirements.

You must meet certain immigration status rules to be eligible. In general, you must be in one of these categories: citizen, permanent resident, refugee, asylee, withholding grantee, conditional entrant, parolee, registry alien or 1986 amnesty status, or victim of trafficking. Your date of entry and length of stay in the U.S. do not matter.

Undocumented noncitizens are not eligible for Section 8 vouchers. However, they are allowed to live with an eligible family member who has a voucher.

If your family includes some members who are eligible and some members who are not eligible, the amount of your rental assistance will be prorated. The amount you get depends on the percentage of family members who are eligible. At least one member of your family must be eligible for you to get a Section 8 housing voucher.

The eligibility rules for noncitizens are complicated and are subject to change. Your service provider will explain the rules that apply to you.

Can people who are elderly or disabled get Section 8 vouchers?

People who are elderly and/or disabled who meet the program eligibility requirements can get Section 8 vouchers. Elderly and disabled people can get a voucher if they live alone, with a spouse or other family members, with unrelated elderly and/or disabled people, and/or with a live-in aide.

Some public housing authorities give preference on the waiting list to elderly people (62 or older), disabled people, and families with elderly or disabled members.

Are there any work requirements?

There are no work requirements for Section 8 tenant-based vouchers. You do not have to work, search for a job, do community service, or take part in job training to be eligible for a voucher. However, some housing authorities give preference on the waiting list to people who are working, or in education or job training programs.

Financial Eligibility

Section 8 tenant-based vouchers are for very low income families. Family income cannot be greater than 50% of the area median income.

What are the income limits?

Section 8 tenant-based vouchers are for very low income families.

Section 8 income limits are based on the median family income, which varies by community and by family size. For an explanation of median income, see [What is the median family income?](#) below.

To be eligible for a Section 8 tenant-based voucher, your family's [gross income](#) (total income before any deductions) must be no greater than 50% of the median family income. This is called the very low income limit. Each New Mexico metropolitan area and county has its own income limits. For example, the 2010 very low income limits for a family of four are:

- Santa Fe: \$32,650
- Albuquerque: \$31,450
- Farmington: \$27,650
- Las Cruces: \$23,500

Note: 2012 income limits are the same as the 2010 income limits posted above. HUD continues to use the 2005-2009, 5-year American Community Survey (ACS) income data as the basis of the FY 2012 Income limits.

By law, 75% of the Section 8 vouchers must go to families whose incomes are no greater than 30% of the median family income. This is called the extremely low income limit. For a family of four, the extremely low annual income limit is:

- Santa Fe: \$19,600
- Albuquerque: \$18,850
- Farmington: \$16,600
- Las Cruces \$14,100

What is the median family income?

If you made a list of the gross annual incomes of all families in your community, starting with the lowest income and ending with the highest income, the median family income (MFI) would be the number in the middle of that list. Half of the families in a community have incomes above the median, and half have incomes below the median.

Income limits for Section 8 vouchers are based on median family incomes:

- To qualify for a Section 8 tenant-based voucher, your family's gross annual income must be no greater than 50% of the median family income in the community where you apply.
- If this is your family's first Section 8 voucher and you plan to move outside the area where you applied, you must also meet the income limits for the community where you will use the voucher.
- By law, housing authorities must give at least three-fourths of their Section 8 vouchers to families whose incomes are no greater than 30% of the area median income.

Section 8 income limits, by family size, for Santa Fe, Albuquerque, and Las Cruces, are shown in the table below:

Section 8 Income Limits
 Selected New Mexico cities
 Effective in FY 2012

Number in Household	Santa Fe		Albuquerque		Farmington		Las Cruces	
	50% MFI	30% MFI	50% MFI	30% MFI	50% MFI	30% MFI	50% MFI	30% MFI
1	\$23,450	\$14,050	\$21,150	\$12,700	\$18,000	\$10,800	\$15,750	\$ 9,450
2	\$26,800	\$16,050	\$24,150	\$14,500	\$20,600	\$12,350	\$18,000	\$10,800
3	\$30,150	\$18,050	\$27,150	\$16,300	\$23,150	\$13,900	\$20,250	\$12,150
4	\$33,450	\$20,050	\$30,150	\$18,100	\$25,700	\$15,400	\$22,450	\$13,450
5	\$36,150	\$21,700	\$32,600	\$19,550	\$27,800	\$16,650	\$24,250	\$14,550
6	\$38,850	\$23,300	\$35,000	\$21,000	\$29,850	\$17,900	\$26,050	\$15,650
7	\$41,500	\$24,900	\$37,400	\$22,450	\$31,900	\$19,100	\$27,850	\$16,700
8	\$44,200	\$26,500	\$39,800	\$23,900	\$33,950	\$20,350	\$29,650	\$17,800

For median family incomes (MFIs) in other New Mexico communities, see the [New Mexico 2010 Median Family Incomes](#) from the HUD web site.

Since HUD continues to use the 5-year American Community Survey income data, **2010 Income limits are effective in 2013**. On this income chart, "Very Low Income" equals 50% of the median family income. (To view this information, you will need [Adobe Reader](#).)

What income is counted?

Most types of income are counted in calculating your family's gross annual income for Section 8. This includes [earned income](#) and [unearned income](#). However, some types of income are not counted.

This income is counted:

Total income of all family members 18 and over including:

This income is NOT counted:

- Income of family members who are under 18

- Wages, salaries, overtime, commissions, fees, tips, bonuses (before any payroll deductions)
- Payments on a regular basis from pensions, annuities, Social Security, SSI, insurance policies, retirement funds, lotteries, disability or death benefits
- Interest and dividends
- Business income (minus expenses)
- Gifts or contributions you get on a regular basis
- Unemployment and workers' compensation
- Alimony and child support
- Cash assistance benefits such as TANF and GA
- Regular pay, special pay, and allowances of a member of the Armed Forces who is head of the family, spouse, or other persons whose dependents are residing in the unit
- Food stamps and fuel assistance
- Reimbursed training expenses
- Lump sum payments from inheritance, insurance, and capital gains
- Foster care payments
- Reimbursements for medical expenses
- Social Security PASS program payments
- Student financial assistance
- Temporary or nonrecurring income, including prizes and one-time gifts
- Income over \$480 of full-time students 18 or over (not head of household or spouse)
- Earned income tax credit
- Special pay to a family member serving in the Armed Forces who is exposed to hostile fire
- Adoption assistance payments in excess of \$480 per adopted child

Check with your public housing authority for a complete list.

What are the asset limits?

There are no asset limits for Section 8 vouchers. The value of your assets does not matter for this program. However, any income that you get from your assets will be counted. For example, interest that you get from your bank accounts must be included as countable income.

Are there special financial eligibility rules for noncitizens?

There are no special financial eligibility rules for noncitizens. [Sponsor deeming](#) is not used for Section 8 programs. If you are a [sponsored noncitizen](#), you do not have to count your sponsor's income.

Is there a waiting list for Section 8 vouchers?

There is usually a long waiting list for Section 8 tenant-based vouchers. You may have to wait a year or several years before your name reaches the top of the waiting list.

Some housing authorities give preference to families in certain categories, and move those families ahead of others on the waiting list. Other housing authorities do not have preference categories.

Every public housing authority (PHA) in New Mexico with a Section 8 program has its own waiting list. Some lists are longer than others. Housing authorities may close their waiting lists if the lists become too long.

You can improve your chances of getting a voucher by putting your name on the waiting list at more than one PHA. However, if you are not a resident of the area served by the PHA that gives you your voucher, you will have to move to that area to use the voucher.

Who gets preference?

Public housing authorities are allowed to set their own preferences for the Section 8 vouchers they issue. Some PHAs have preference categories and others do not.

PHAs without preference categories issue vouchers based on the date and time the applications were received.

PHAs must follow federal rules and take local housing needs into account when setting preferences. Preference categories vary from one housing authority to another, but may include:

- Families who are forced to move because of a disaster, government action, or some other reason beyond their control
- Families who are working
- Families with a disabled or elderly (62 or older) head of household or spouse
- Families in education or training programs
- Families who live or work in the region served by the PHA

If you are in a preference category, you will move ahead of other families on the waiting list. Therefore it is important that you make note of your preference category on the application.

People with the same preference level are placed on the waiting list in the order of the date and time their application was received.

What Benefits Will I Get?

How much rent will I pay?

The amount you will pay depends on your family's situation:

- Most families pay 30% of their monthly adjusted income as the tenant portion of the rent.
Families pay this amount if they choose housing where the total rent (rent plus utilities) is less than or equal to the payment standard set by the PHA. (See [What is the payment standard?](#)) This is the minimum amount families with Section 8 vouchers pay for rent, unless they have a long-term financial hardship. (Adjusted income is total income minus certain deductions. See [What is adjusted income?](#))
- Some families pay up to 40% of their monthly adjusted income as the tenant portion of the rent.
Families pay this amount if they choose housing where the total rent (rent plus utilities) is greater than the payment standard set by the PHA. Families are not allowed to pay more than 40% of their adjusted income when they first get a voucher or whenever they move to a new unit.
- Some families with very low incomes pay the minimum rent, which is set by the PHA. The minimum rent is usually between \$25 and \$50, and may vary from one PHA to another. A PHA can waive the minimum rent for a family with a long-term financial hardship.
- In certain cases, a family may pay 10% of its monthly gross income (total income), if this amount is greater than 30% of its adjusted income.
- Families with one or more ineligible family members will not get the full Section 8 subsidy. The amount of the subsidy will depend on the percentage of family members who are eligible. Families in this situation pay more than 30% of their income for rent.

How much does Section 8 pay?

The family pays the tenant portion of the rent and Section 8 pays the rest. There is a limit on the amount Section 8 will pay. Therefore, the family must choose a rental unit that is reasonable compared to other units of the same size in the community.

Each public housing authority (PHA) decides on a maximum subsidy amount Section 8 will pay for modest apartments of various sizes in their community. This amount is called the payment standard.

If a family chooses housing with rent equal to or less than the payment standard, the family pays 30% of its adjusted income and Section 8 pays the rest.

If a family chooses housing with rent greater than the payment standard, the family must pay the extra. If the rent is much higher than the payment standard, the housing authority will not approve the apartment.

Families with one or more ineligible family members do not get the full Section 8 subsidy. They get a prorated amount, based on the number of family members who are eligible for assistance.

What is the payment standard?

The payment standard is the maximum subsidy amount that Section 8 will pay for a rental unit. The payment standard varies by community and by size of the unit. For example, payment standards in Santa Fe are higher than payment standards in Albuquerque; and payment standards for 3-bedroom units are higher than those for 2-bedroom units.

Public housing authorities (PHAs) set the payment standards for their communities, based on the market rents (FMRs). Fair market rents are the average rents being charged in different communities for apartments of different sizes, and include the average cost of utilities (heat, electricity, etc.) in those communities. [HUD](#) determines the fair market rents each year.

Payment standards are often equal to the fair market rents, but may range from 90% to 110% of the fair market rents. PHAs that choose lower payment standards can serve more families; PHAs that choose higher payment standards give families more housing choices.

The fair market rents for rental units of different sizes in New Mexico counties is shown below:

Fair Market Rents
Fiscal Year 2013

Counties in New Mexico	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Bernalillo	\$507	\$637	\$780	\$1,129	\$1,381
Catron	\$470	\$528	\$626	\$922	\$939
Chaves	\$525	\$577	\$780	\$1,101	\$1,361
Cibola	\$475	\$479	\$626	\$864	\$1,109
Colfax	\$460	\$463	\$626	\$780	\$837
Curry	\$471	\$475	\$639	\$934	\$1,132
De Baca	\$470	\$528	\$639	\$922	\$939
Dona Ana	\$444	\$534	\$633	\$906	\$1,007
Eddy	\$483	\$496	\$516	\$847	\$881
Grant	\$470	\$528	\$626	\$922	\$1,006
Guadalupe	\$470	\$487	\$626	\$922	\$939
Harding	\$470	\$487	\$626	\$829	\$939
Hidalgo	\$470	\$487	\$626	\$922	\$939
Lea	\$485	\$489	\$661	\$840	\$889
Lincoln	\$519	\$645	\$872	\$1,086	\$1,165
Los Alamos	\$639	\$822	\$1,066	\$1,393	\$1,806
Luna	\$470	\$527	\$626	\$902	\$905
McKinley	\$482	\$528	\$626	\$780	\$837

Mora	\$470	\$528	\$626	\$824	\$939
Otero	\$386	\$528	\$626	\$913	\$1,109
Quay	\$474	\$477	\$645	\$829	\$862
Rio Arriba	\$427	\$531	\$718	\$894	\$960
Roosevelt	\$372	\$485	\$626	\$780	\$1,109
San Juan	\$540	\$580	\$785	\$978	\$1,049
San Miguel	\$372	\$515	\$626	\$827	\$857
Sandavol	\$507	\$637	\$780	\$1,129	\$1,381
Santa Fe	\$756	\$823	\$976	\$1,308	\$1,399
Sierra	\$437	\$475	\$643	\$801	\$965
Socorro	\$440	\$463	\$626	\$780	\$1,109
Taos	\$579	\$695	\$832	\$1,036	\$1,112
Torrance	\$507	\$637	\$780	\$1,129	\$1,381
Union	\$460	\$463	\$626	\$907	\$939
Valencia	\$507	\$637	\$780	\$1,129	\$1,381

What is adjusted income?

Adjusted income is used to calculate a family's share of the rent. Annual adjusted income is a family's annual gross (total) income minus the following deductions:

- \$480 for each dependent. A dependent is a member of the family (other than the head of household or spouse) who is under 18 years of age, or a full-time student, or a person with a disability. You may not take this deduction for foster children.
- Child care expenses for children age 12 and under when the child care is needed so a family member can work, look for work, or attend school (vocational or academic). If the child care allows a family member to work, the child care expenses cannot be greater than the working person's income.
- \$400 per family if the head of household or spouse is elderly (62 or older) or disabled.

- Disability assistance expenses that are greater than 3% of the family's annual gross income. Disability assistance expenses can be deducted only if they enable the disabled person or another family member to work
- Medical expenses that are greater than 3% of the family's annual gross income, if the head of household or spouse is elderly (62 or older) or disabled. The medical expenses of all family members are included, not just the medical expenses of the elderly or disabled family member.

Example rent calculation

To see how a family's share of the rent is calculated, consider a family of four, two adults and two young children, living in Albuquerque. No one in the family is disabled or elderly. Let's say the two adults are working, and have a combined earned income of \$1300 per month. They have no other source of income. They pay \$100 per month (\$1200 per year) in child care expenses so that both parents can work.

Their rent is calculated in this way:

- **Compute the family's annual gross income and check income eligibility:**
The family's annual gross income is $12 \times \$1300 = \$15,600$. The gross income is used to determine if the family is income-eligible for Section 8. This family meets the income limits because their income is less than 50% of the area median income for a family of four in Albuquerque. See [What is the median family income?](#)
- **Compute the annual adjusted income:**
The family is allowed to take a dependent deduction of \$480 for each child. They can also deduct the \$1200 they pay each year for child care so that both parents can work.

Dependent deduction: $\$480 \times 2 = \960

Child care deduction: \$1200

Annual adjusted income = $\$15,600 - \$960 - \$1,200 = \$13,440$

- **Compute the monthly adjusted income:**
Monthly adjusted income = $\$13,440 / 12 = \$1,120$
- **Compute the family share of the rent:**
Each family must pay a minimum of 30% (.3) of its monthly adjusted income for rent. With an adjusted income of \$1,120, this family must pay a minimum of 30% of \$1,120, which is equal to \$336.

The family will pay \$336 per month if they choose housing with a total rent (rent plus utilities) less than or equal to the payment standard. See [What is the "payment standard?"](#) Section 8 will pay the rest.

If the family chooses housing with a total rent greater than the payment standard, the family will have to pay 30% of their monthly adjusted income PLUS the difference between the payment standard and the actual rent.

The total rent paid by the family cannot be greater than 40% of their adjusted income if the family is entering the Section 8 program for the first time or moving to a new unit.

How many bedrooms can I have?

The PHA determines the number of bedrooms for your voucher, based on your family size and composition. Most PHAs follow similar guidelines:

- your voucher will be for the smallest number of bedrooms needed to house your family without overcrowding
- adults of the opposite sex do not share a bedroom unless they are in a spousal relationship
- children 5 and older do not share a bedroom with someone of the opposite sex
- two elderly or disabled people living together may have separate bedrooms
- live-in attendants are usually given a separate bedroom
- a single-person family cannot have more than one bedroom
- space is allowed for foster children if they will be with the family for an extended period of time
- space is allowed for students who are away at school but spend school vacations at home
- no more than two people share a bedroom
- a family that consists of a pregnant woman only (and no other persons) must be treated as a two-person family

Families may request a larger voucher if they need another bedroom because of health reasons, family issues, or other special circumstances.

A family does not have to assign bedrooms in the same way the voucher program does, and does not have to rent a unit with the number of bedrooms listed on the voucher:

- If the family rents a unit with fewer bedrooms than their voucher size, the PHA uses the payment standard for the smaller unit.
- If the family rents a unit with more bedrooms than their voucher size, the PHA uses the payment standard for the voucher size.

How Do I Apply?

How do I apply for a Section 8 tenant-based voucher?

To apply for a section 8 voucher:

- Contact the public housing authority (PHA) in the city or county where you want to apply. You may visit the PHA office, or call them. The HUD [New Mexico PHA Contact Information list](#) has the name, address, and telephone number of all PHAs in New Mexico.

- Ask the PHA if it has a Section 8 program and if the waiting list is open. There is usually a long waiting list for Section 8 vouchers, often a year or several years. Each PHA has its own waiting list, and may close its list if it gets too long. If a PHA has closed its waiting list, it will not accept applications.
- To be placed on the waiting list, you will need to fill out a short pre-application. You can pick this up at the PHA office, or have the PHA mail it to you. In some cases, you can complete the pre-application by telephone. The pre-application is a simple form that allows the PHA to do a quick assessment of your eligibility and see if you qualify for a preference category. You do not need an interview or proofs for the pre-application.
Note: Some PHAs do not use a pre-application. At these PHAs, you must complete the full application to be placed on the waiting list.
- When your name is selected from the waiting list, you will need to show proof of your preference category. Then you will be asked to fill out a complete application, have an interview, and bring in all required documents.

You may apply at more than one PHA to improve your chances of getting a voucher.

Note: You may also apply for vouchers in other states. If you get a voucher from a PHA in another state, you may have to move to that area to use the voucher. To apply at a public housing authority in another state, see the HUD [PHA Contact Information list](#) to find the name, address, and telephone number of housing authorities throughout the U.S.

Does it matter where I apply for a voucher?

Where you apply can affect how quickly you get a voucher, and can limit where you can use your voucher. You will improve your chances of getting a voucher if you apply at more than one PHA.

To get a voucher sooner, try to find PHAs where your family qualifies for a preference:

- Each public housing authority (PHA) in New Mexico has its own local Section 8 waiting list preferences. One PHA may give preference to working families, for example, while another PHA may not. Some PHAs give preference to people who live or work in their areas.
- Families in preference categories move ahead of other families on the waiting list. Therefore, it is important to ask the PHA about their local preferences and try to apply at PHAs where your family qualifies for a preference.

Try to apply at PHAs with shorter waiting lists.

- Each PHA keeps its own waiting list. The length of the waiting list varies, depending on the demand for vouchers and the funds available in each area. If you are willing to move, you may get a voucher more quickly from a PHA with a shorter waiting list in another city or county.

Make sure you can use your voucher in the city or county where you want to live:

- If you get a Section 8 voucher from the PHA in the city or county where you live when you apply, you are allowed to use it anywhere in the United States. This is called portability. The only restriction is that you must meet the income limits for the city or town where you will live.
- If you get a voucher from a PHA in a county or state where you are not a resident, you might be required to move to that area to use the voucher. This depends on the rules of the PHA that issues the voucher. You must also meet the income limits for the area where you will live.
- No matter which PHA gives you your voucher, once you have used it for a year, you may move anywhere in the United States as long as you do not violate the terms of your lease when you move.

What happens while my name is on the waiting list?

While your name is on the waiting list, you must notify the PHA of any change of address. You must also answer any notices that the PHA sends you to update your information. PHAs usually purge their waiting lists once or twice a year to make sure that everyone on the list is still interested in a voucher. If you don't respond in the time limit given by the PHA, your name will be dropped from the list.

Make sure you send change of address notices to all PHAs where you have applied. If a PHA cannot reach you, it will drop your name from the waiting list.

What documentation do I need?

If there is a waiting list for vouchers at the PHA where you apply, you will usually fill out a pre-application to have your name put on the waiting list. You do not need any proofs at this time. Most pre-applications ask for:

- the name, address, phone number, and Social Security number of the head of household and spouse
- the number of people who will live in the unit
- the number of bedrooms that you qualify for
- estimate of your family's annual gross income
- preferences that apply to you
- date and time of the application
- your signature, certifying that the information is correct

When your name is selected from the waiting list, you will have to go to the PHA for an interview and fill out a complete application. For this application, you will need to provide some or all of the following information:

- name, address, and phone number of the applicant
- names of all people who will be living in the unit, their sex, date of birth, age, social security number, immigration status, and relationship to the head of household
- race and ethnicity of head of household

- qualification for a preference category
- any special housing needs your family may have
- names and addresses of your current and previous landlords
- annual income for all family members from wages, self-employment, unemployment, child support, alimony, public assistance, Social Security, pensions and annuities, interest from savings and other assets, rental income, and any other regular source of income
- child care expenses
- attendant care expenses or equipment expenses for a disabled family member
- medical expenses for families with an elderly head of household or spouse
- value of any assets owned by family members
- information about any previous arrests for drug activity or alcohol abuse
- information about your family's housing history (for example, if you have been evicted from government-funded housing, owe back rent, or lied on an application)

You must provide any proofs that the PHA requires. You will also be asked to sign a form that allows the housing authority to check the information you have given, including a criminal background check.

How often must I reapply?

Your family must be recertified at least once a year. Some PHAs may require families to report interim changes in family income or family circumstances as well. At recertification, you will have an interview, and the PHA will review your family composition, income, assets, and expenses.

The PHA will tell you what proofs you need to bring. You do not have to meet income limits to remain eligible. The PHA will also reinspect your rental unit and recalculate your family's share of the rent at this time.

You will also be recertified whenever you move to a new unit.

How Do I Use My Voucher?

What happens when I get a Section 8 voucher?

Before you get your voucher, the public housing authority (PHA) will have a meeting to explain the Section 8 rules and give you advice on how to find housing.

During this meeting, they will introduce the housing choice voucher program and the benefits it offers to participating families, provide step-by-step instructions on how and where to search for a unit, explain how rent and subsidy are calculated, inform families of their rights under the housing choice voucher program, inform families of their responsibilities as housing choice voucher program participants, and clarify the role of the PHA and its expectations of housing choice voucher program participants.

Once you get your voucher, you must find a place to live. When you search for housing, you should remember these things:

- The landlord must be willing to take part in the Section 8 program.
- The landlord must be willing to sign a one-year lease.
- The rental unit must pass a health and safety code inspection.
- The unit must be the right size for your family. (It does not have to be the same number of bedrooms as your voucher, as long as you will not be overcrowded.)
- The rent must be reasonable compared to other rents in the community.
- If you were not a resident of the city/county that gave you your voucher, you may have to move to that city/county.
- If you move to a new area, you must meet the Section 8 income limits for that area

How much time do I have before my voucher expires?

You will have a minimum of 60 days to find suitable housing. If you do not find housing in that time, your voucher will expire and you will be denied assistance.

Some PHAs will grant an extension of time if you have tried to find housing but could not, or if your family faced an emergency or hardship. The PHA is allowed to decide whether to give you an extension or not.

In most cases, if you are disabled and your disability has made it difficult for you to search for or find suitable housing, the PHA will grant an extension.

You must request an extension in writing, before your voucher expires.

How do I search for housing?

Finding a good place to live at an affordable price is not easy. The public housing authority will help you. Some of the ways you can search for housing are:

- read the newspaper ads
- look through the PHA list of landlords with vacancies
- call local realtors and apartment managers
- ask friends and relatives
- drive through neighborhoods looking for vacant units and "For Rent" signs
- contact community organizations and churches

What kind of rental unit can I choose?

PHAs will approve most types of housing, as long as the unit is safe and reasonable. You may choose an apartment, mobile home, group home, single-room occupancy (SRO), or other type of housing.

The PHA will not be able to approve your rental unit if it is one of the following:

- public or Indian housing unit
 - the unit already receives Section 8 project-based assistance
 - nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services
 - college or other school dormitories
 - the unit is located on the grounds of medical, mental, reformatory, and similar public or private institutions
 - the unit is already occupied (check with your PHA for exceptions)
-

What happens when I find a rental unit?

When you find a suitable apartment and the landlord agrees to rent to you, you must get approval from the housing authority. This is called Tenancy Approval. The PHA must approve the owner's lease and rent amount, and the unit must be inspected.

Once any needed repairs are made, you and the owner must sign a lease for at least one year, and the owner signs a contract with the housing authority. If the owner asks for a security deposit, you are responsible for paying it.

Each month, you pay your part of the rent to the landlord, and the housing authority pays the Section 8 amount to the landlord.

What are the responsibilities of the tenant, the landlord, and the housing authority?

- **Tenant family:**
The tenant family must follow the rules of the lease and the voucher program. They must pay their share of the rent on time, keep the unit clean and in good condition, and notify the housing authority if their income or family size changes.
- **Landlord:**
The landlord must maintain the rental unit so that it stays safe and in good repair, and follow the rules of the lease and contract.
- **Public housing authority (PHA):**
The public housing authority must make Section 8 payments to the landlord on behalf of the tenant family as long as the landlord follows the lease and contract rules. It must check the eligibility of the family each year, and reinspect the unit each year to make sure that it meets minimum housing quality standards.

Landlord's Guide

How does the Section 8 program work?

(Note: Section 8 and Housing Choice Voucher Program are two different names for the same program.)

These are the steps involved in renting to a Section 8 tenant:

- A family with a current Section 8 voucher views your rental unit and wants to rent it.
- You screen the tenants to make sure they are suitable.
- You agree to lease to the tenants and contact the Section 8 office for approval.
- The Section 8 office checks to make sure the family can afford the rent, the rent is reasonable compared to other rents in the community, and the lease is acceptable.
- The Section 8 office sends an inspector to check your rental unit to make sure it meets program standards.
- After the unit passes inspection, the Section 8 office sends you a contract to sign.
- You sign the contract with Section 8 and sign the lease with your tenants.
- The tenants pay the security deposit, if any, and the family moves in.
- The Section 8 office pays its portion of the rent and the family pays the rest.

You can view the Section 8 program forms on the HUD web site:

- [Housing Choice Voucher](#) authorizes a family to look for a rental unit and specifies the size of the unit
- [Request for Tenancy Approval](#) is submitted to the Section 8 office after the landlord agrees to rent to the tenant
- [Inspection Form](#) is used to determine if the unit meets the Section 8 standards
- [Tenancy Addendum](#) must be attached to the lease
- [Housing Assistance Payments \(HAP\) contract](#) is the contract between the landlord and the Section 8 office

(These forms require [Adobe Reader](#).)

How do I list my rental unit with Section 8?

If you would like to rent to Section 8 tenants, you should contact your local housing authority to let them know you have a unit available. They will add your unit to their listings. This is a free service.

To find the address and telephone number of the public housing authority (PHA) in your area, see:

- [New Mexico PHA Contact Information](#)

You may also advertise on your own. If you place an ad, include a notice stating that you welcome Section 8 tenants.

Does the Housing Authority screen Section 8 tenants?

The Housing Authority does not screen Section 8 tenants for you. You must do this yourself, just as you would for non-Section 8 tenants. You should ask for Social Security number, references, current and previous landlords, credit history, employment history, criminal record, etc. and check the information carefully.

There are many services available to help you screen tenants. These services can check to see if the prospective tenant has a criminal record, has been evicted, or has bad credit.

When checking references, always contact the previous landlord as well as the current landlord, because the current landlord may want the tenants to move out.

The Housing Authority will tell you the number of people on the voucher, current and previous address, and current and previous landlord. Some Housing Authorities will also share any other information they have. However, the Housing Authority's main concern is checking that the applicant meets the income limits and other Section 8 eligibility requirements. Screening the tenant is the landlord's responsibility.

Who pays the security deposit?

If you want a security deposit, you must collect this from the tenant. The Section 8 program has no responsibility for damages, unpaid tenant rent, or other claims you might have against the tenant.

The maximum security deposit you may collect is one month's rent. You may not collect the last month's rent.

Do I sign a lease with the tenant?

You must sign a lease with the tenant for a minimum of one year. The lease should include:

- names of the landlord and tenant
- address of the rental unit
- term of the lease and how it will be renewed
- monthly rent amount
- which utilities are paid by the tenant
- which appliances must be provided by the tenant
- Tenancy Addendum

You must include the Tenancy Addendum exactly as it appears on the HUD web site:

- [Tenancy Addendum](#) (requires [Adobe Reader](#))

You may include any other conditions that you normally include in your leases, as long as they do not violate any laws.

What kind of inspection is done?

Your rental unit will be inspected to make sure that it meets the housing standards of the Section 8 program. The inspector will examine the exterior of the building, the plumbing and heating systems, the exits and hallways, and each room in the unit to make sure it is safe, clean, and in good condition.

The unit must be vacant at the time of the first inspection, and all utilities must be turned on. The inspector must have access to the unit itself, the basement, and all common areas.

The inspector uses a checklist form provided by HUD, the federal agency in charge of the Section 8 program. For each item on the list, the inspector marks if the unit passes or fails (or not sure). If repairs are needed, the inspector marks this on the form.

You can view the inspection form on the HUD web site:

- [Housing Choice Voucher Program Inspection Form](#) (requires [Adobe Reader](#))

A family will not be allowed to rent your unit until you have made any needed repairs and the unit passes the inspection.

The unit will be re-inspected each year. If problems are found, you must make repairs within the time allotted or else Section 8 will stop payments.

How much rent can I charge?

The rent you charge must be reasonable compared to other units of similar size in your community. The Section 8 office will compare your rent to their payment standards, which are based in part on the fair market rents in your city or town.

The fair market rents are the average gross rents (rent plus utilities) being paid in your community for modest rental units of varying sizes. See [What is the payment standard?](#)

If the gross rent (rent plus utilities) for your unit is less than or equal to the payment standard, the tenants pay 30% of their monthly income for rent and Section 8 pays the rest.

If the rent is higher, the tenants must make up the difference. However, they are not allowed to pay more than 40% of their income for rent when they first rent a unit.

If you want to increase the rent when you renew the lease, you must get approval from Section 8. The rent must remain reasonable and within the family's ability to pay, or else Section 8 will not approve it.

How do I get paid?

The public housing authority will send you a check for the Section 8 portion of the rent each month. They will continue to do so as long as the tenant remains eligible for Section 8 and your rental unit meets the Section 8 program standards.

You are responsible for collecting the tenant portion of the rent each month.

May I evict a Section 8 tenant?

You may evict a Section 8 tenant in the same way you would evict a non-Section 8 tenant. The same laws apply.

New Mexico First Time Homebuyer Programs

Overview

Homeownership programs help low and moderate-income first-time homebuyers purchase their first home. A few homebuyer programs also assist low and moderate-income households who are not first-time homebuyers if they meet certain additional criteria. A variety of programs make homeownership affordable by offering different types of assistance, including:

- **Below-market mortgage interest rates or mortgage interest subsidies**
When you borrow money to buy a home, you must not only pay back the amount you borrowed, but you must also pay interest on your loan. Interest is the fee you pay for borrowing money. Some homeownership programs charge you an interest rate that is lower than the market rate, or pay a portion of your interest for you, in order to make your monthly mortgage payments more affordable.
- **Financial help for down payments**
Most lenders require homebuyers to pay some of their own money towards the purchase of a home. This is called the down payment. Some lenders require as much as 20% of the purchase price as a down payment, and it is often difficult for low-income families to put aside enough money to meet this requirement. With a homeownership program, you might be required to put down only 3% to 5% of the purchase price or no down payment at all, or you might receive a grant to cover part of your down payment.
- **Reduced closing costs**
Certain costs, including fees like title insurance, survey fees, transfer taxes, and document preparation fees, must be paid before ownership of a home can be transferred from one person to another. These are called closing costs, and generally add up to 3% to 6% of the mortgage. Because it is often difficult for low-income families to pay these costs, certain first-time homebuyer programs offer loans with reduced or zero closing costs.
- **Mortgage insurance assistance**
If you pay less than a 20% down payment on your home, most lenders require that you buy mortgage insurance and will not offer a loan without it. Mortgage insurance protects the lender in case you stop making payments on your loan. Private companies offer mortgage insurance, but low-income homebuyers do not always meet their requirements. Some government homeownership programs offer mortgage insurance to borrowers who might otherwise not qualify, for example FHA and Veterans Administration loans.
- **Flexible qualifying ratios**
When you apply to borrow money to purchase a house, the lender wants to make sure that you have enough income to pay your monthly mortgage payments along

with your other expenses. Lenders add up the amount you will have to spend on housing and other expenses and compare this to the amount of income you have. This comparison of expenses to income is called a qualifying ratio.

Usually mortgage lenders will not approve a loan if your total housing expenses, including mortgage payment, taxes, and insurance, will be greater than 26 to 28% of your monthly income. They also consider other debts you have, such as car loans and credit cards. Most lenders will not approve a loan if your total debt expenses (housing plus other debts) will be greater than 33 to 36% of your monthly income. Low-income families often must spend a higher percentage of their income on housing payments and other debts and do not qualify for regular mortgages. Many homeownership programs are flexible, however, and allow families to spend more of their income on housing or total debt expenses than conventional mortgages.

- **Homeownership education and counseling**
Buying a home is a complicated process and first-time homebuyers often need help. Homeownership assistance programs provide step by step guidance, including advice on mortgages, brokers, credit, choosing an attorney, making an offer to purchase, home inspections, closing, home maintenance, and preventing foreclosure. Some homeownership programs require first-time homebuyers to take a homebuyer education course or offer more assistance to those who do.

Who runs homeownership programs?

Homeownership programs are offered by the New Mexico Mortgage Finance Authority (MFA), local governments, non-profit organizations and other community organizations. Homebuyer programs are generally available through local mortgage lenders. To learn more about the many programs available to first-time homebuyers who need help in purchasing a home or existing homeowners seeking to make housing improvements call or visit any local non-profit housing agency serving your community.

For a list of agencies, see the Housing Services Directory on the [MFA web site](#). You may also call the MFA at 1-800-444-6880.

Who is eligible for homeownership programs?

Different assistance programs have different requirements. Depending on the program, you might have to meet some or all of the following requirements:

- Generally, you must be a first-time homebuyer. This means that you have not owned a home during the 3-year period before you apply for assistance. (If you owned a home with a former spouse, if you are a single parent, or if you owned a home without a foundation, you are still considered a first-time homebuyer.)
- Many programs require that you complete a first-time homebuyer education course.

- You must have low or moderate income and meet program income requirements.
- You must agree to live in the home you buy.
- You must buy a home that meets the purchase price requirements.
- You must buy a home that is worth at least as much as you are paying for it.
- You must have a good credit history or one that is improving.
- You must be able to afford the home you plan to buy. Taking the homeownership assistance into account, your final monthly housing expenses (mortgage payment, taxes, and insurance) generally should not be greater than a third of your monthly income. Your other debts, such as car loans and credit card payments, must not be too high.
- You must be a U.S. citizen or eligible noncitizen.
- You must be able to show that you have a good employment history.
- You must be able to show that you have enough cash or savings for your down payment, if any.

What are the [financial eligibility requirements](#)?

Most homeownership programs require that families be of low or moderate income. The actual income limits vary by community, household size, source of funds, and whether you are receiving one or several types of assistance. Click into New Mexico [Homebuyer](#) or [Homeowner](#) Programs for specific income requirements for different programs.

Are noncitizens eligible for homeownership programs?

Noncitizen eligibility for homeownership programs varies by program. Legal permanent residents (LPRs) usually have the same access to homeownership programs as citizens, but other noncitizens do not. This is changing, however.

Freddie Mac, for example, used to have special rules for noncitizens. Now it has exactly the same loan requirements for citizens and noncitizens, including temporary residents (nonimmigrants). Fannie Mae offers loans to noncitizens who have lived in the U.S. at least two years and have permission to work in the U.S., but do not yet have green cards. Undocumented noncitizens are not eligible for these homeownership programs.

The rules for noncitizen eligibility are changing as mortgage lenders reach out to the immigrant market. You should check with the programs you are interested in to see if you

qualify. You may also call a [NeighborWorks Homeownership Center](#) near you for more information.

Mortgage\$aver Program

[What is the Mortgage\\$aver Program?](#)

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[Am I eligible?](#)

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[What are the benefits?](#)

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[How do I apply?](#)

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[How do I get more information?](#)

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What is the Mortgage\$aver Program?

The New Mexico Mortgage Finance Authority (MFA) is a quasi-public entity that finances housing and related services for low to moderate-income New Mexicans and underserved families throughout the state. MFA's Mortgage \$aver Program offers below-market interest rates and/or closing cost assistance to first-time home buyers. The program is also available to individuals who have not owned a home (including a manufactured home on a permanent foundation) in the last three years.

There are different Mortgage\$aver programs available:

- Mortgage\$aver: 30-year, fixed rate loans at an interest rate below the 30-year market rate.
- Mortgage\$aver Plus: 30-year fixed rate loans at an interest rate slightly higher than the 30-year fixed market rate, but no origination fee or discount fee applies, and a 3.0% (of the total loan amount) grant is built-in that can be applied to the down payment, closing costs, and prepaid expenses.
- Mortgage\$aver Zero: 30-year fixed rate loans at an interest rate just about even with the 30-year fixed market rate, but no origination fee or discount fee.
- Mortgage\$aver Xtra: 30-year fixed rate loans at a deeply discounted interest rate for very low-income borrowers (50% or less of the area median income).

Am I eligible?

A professional MFA-qualified mortgage lender will review the borrower's monthly income, expenses, employment situation, and credit report to determine if a borrower is eligible for the Mortgage\$aver, Mortgage\$aver Zero, Mortgage\$aver Xtra, or Mortgage\$aver Plus program.

The lender will also determine the amount of down payment/closing cost assistance needed by the borrower and can help recommend an appropriate second mortgage or grant program.

Current gross annual household income may not exceed the income limit listed below, unless the purchase is in a targeted area.

General Family Income Limits:

Counties	Family Size		
	1	2	3+
Albuquerque MSA (Bernalillo/Sandoval/Torrance/Valencia)	\$62,900	\$62,900	\$72,335
Santa Fe MSA and Los Alamos Counties	\$62,000	\$62,000	\$71,300
Farmington MSA	\$55,300	\$55,300	\$64,595
All other Areas and Counties of the State	\$54,200	\$54,200	\$62,330

Certain areas of the state are designated by the federal government as targeted areas. These include specific census tracts within the counties listed in the table below:

Federally Targeted Area County/Census Tracts:

County	Census Tract(s)
Bernalillo	000901, 940300
Cibola	945900
Curry	000100
Dona Ana	001704, 001000
Lea	000300
Luna	000600
McKinley	940200, 943400
Rio Arriba	000600, 943300
Sandoval	940900, 943300
San Juan	942900
Socorro	946100

Income limits for qualifying households are higher in targeted areas, and families do not have to be first-time homebuyers to qualify. Contact the MFA for more information at (505) 843-6881.

Income Limits for Targeted Areas:

Counties	Family Size (Targeted Areas)		
	1	2	3+
Bernalillo and Sandoval	\$75,480	\$75,480	\$88,060
San Juan	\$66,360	\$66,360	\$77,420
All other counties and areas	\$65,040	\$65,040	\$75,880

What are the benefits?

A borrower who qualifies for a MortgageSaver program will have lower monthly mortgage payments than through a conventional mortgage loan. Residences financed can include single-family detached homes, town homes, condominiums, homes in planned unit developments, and permanently attached manufactured homes. Total home sales prices cannot exceed certain limits. Limits for general areas and targeted areas are listed in the tables below.

Home Sales Price Limits for General Areas:

Home Sales Price Limits	
Area	Purchase Price Limits
Los Alamos County	\$342,585
Santa Fe County	\$384,750
San Juan	\$253,125
All other areas and counties	\$243,945

Home Sales Price Limits for Federally Targeted Areas:

Target Area Price Limits	
Area	Purchase Price Limits
All other Areas and Counties of the State	\$298,155

How do I apply?

MortgageSaver programs are available through a statewide and on Indian Reservations network of participating lenders.

How do I get more information?

For more information contact the Mortgage Finance Authority:

Main: (505) 843-6881

Fax: (505) 242-3289

www.housingnm.org

Mortgage Booster

What is the Mortgage Booster Program?

The New Mexico Mortgage Finance Authority (MFA) is a quasi-public entity that finances housing and related services for low to moderate-income New Mexicans and underserved families throughout the state. MFA's Mortgage Booster program is a second mortgage that provides down payment and closing cost assistance to borrowers who qualify for MFA's [MortgageSaver](#) loan. The Mortgage Booster loan is repaid over 30 years and has an interest rate that is 0.5% higher than the MortgageSaver loan.

Am I eligible?

You must be able to qualify for MFA's MortgageSaver program to take advantage of Mortgage Booster.

What are the income limits?

Current gross annual household income may not exceed limits listed below unless the borrower is planning to purchase a home in a targeted area. Slightly higher income limits apply in targeted areas; contact MFA for more information.

By Family Size			
Counties	1	2	3+
Albuquerque MSA (Bernalillo, Sandoval, Torrance, Valencia)	\$62,900	\$62,900	\$72,335
Santa Fe MSA (Santa Fe and Los Alamos County)	\$62,000	\$62,000	\$71,300
Farmington MSA (San Juan County)	\$55,300	\$55,300	\$63,595
All other areas of the state	\$54,200	\$54,200	\$62,330

What are the benefits?

Mortgage Booster helps low-to-moderate income first-time homebuyers who don't have adequate resources for a down payment and/or closing costs. You may qualify for assistance up to 8% of the purchase price of the home.

The Mortgage Booster loan is paid at the same time as the first mortgage, so there is no need to make two separate loan payments.

Mortgage Booster Price Limits	
Areas	Purchase Price Limits
Santa Fe County	\$384,750
Los Alamos County	\$342,585
All Other Areas and Counties of the State	\$243,945

How do I apply?

Mortgage Booster is available through a statewide network of [participating lenders](#).

PaymentSaver Program

What is the PaymentSaver Program?

[PaymentSaver](#) is a program administered through the New Mexico Mortgage Finance Authority (MFA) that provides a second mortgage loan (used in conjunction with a first mortgage) at 0% interest that covers upfront costs associated with purchasing a home, including a [down payment](#). Depending on the first type of mortgage loan, PaymentSaver may assist with costs to reduce monthly mortgage payments through an interest rate buy-down.

First mortgage loans available with PaymentSaver include FHA, VA, a variety of conventional loans, Rural Housing Service leveraged or direct loans, and loans on Native American Trusts.

Am I eligible?

The PaymentSaver program is available to first-time homebuyers and individuals or families who have not owned and occupied a primary residence during the past three years. Income and home sales price limits apply, depending on family size and location.

To use PaymentSaver, buyers must receive pre-purchase counseling which is free to the buyer and available through MFA-certified agencies throughout New Mexico. If there is not an approved agency near you, MFA will help you through the process.

The program is available statewide, excluding the Albuquerque city limits.

County	Family Size					
	1	2	3	4	5	6
Albuquerque MSA (Bernalillo, Sandoval, Tarrant, Valencia)	\$30,870	\$35,280	\$39,690	\$42,630	\$47,600	\$51,100
Santa Fe MSA and Los Alamos Counties	\$36,600	\$41,800	\$47,050	\$52,250	\$56,450	\$60,650
Farmington MSA (San Juan County)	\$31,000	\$35,400	\$39,850	\$44,250	\$47,800	\$51,350
Las Cruces MSA (Dona Ana County)	\$26,350	\$30,100	\$33,850	\$37,600	\$40,650	\$43,650
Chaves	\$26,850	\$30,650	\$34,500	\$38,300	\$41,400	\$44,450
Colfax	\$28,850	\$33,000	\$37,100	\$41,200	\$44,500	\$47,800
Eddy	\$33,750	\$38,550	\$43,350	\$48,150	\$52,050	\$55,900
Harding	\$28,750	\$32,850	\$36,950	\$41,050	\$44,350	\$47,650
Lea	\$28,950	\$33,050	\$37,200	\$41,300	\$44,650	\$47,950
Lincoln	\$32,100	\$36,700	\$41,300	\$45,850	\$49,550	\$53,200
All other Areas and Counties of the State	\$26,350	\$30,100	\$33,850	\$37,600	\$40,650	\$43,650

What are the benefits?

The 0% Payment\$aver loan is a second loan that will pay up to 8% of the sales price of the home or \$8,000. The loan does not need to be paid back until the property is sold, refinanced, or transferred. After five years, the loan may be forgiven at a rate of 20% per year.

Price Limits	
Area	Purchase Price Limits
Los Alamos County	\$380,650
Santa Fe County	\$427,500
San Juan County	\$281,250
All other Areas and Counties of the State	\$271,050

How do I apply?

A mortgage lender can determine if you are eligible for Payment\$aver and explain the various loan types that may work for you. Visit the MFA's [participating lenders page](#) for a list of institutions who partner with MFA on this program.

Helping Hand

What is the Helping Hand Program?

The Helping Hand Program is a [down payment](#) and [closing cost](#) assistance program for people with disabilities that is administered by the New Mexico Mortgage Finance Authority (MFA).

Am I eligible?

The program is targeted for families at or below 70% or 80% of area median income limits (depending on where the borrower wishes to purchase) in which at least one family member has a disability as defined by the Americans with Disabilities Act (ADA) [definition](#). Borrowers must receive first time homebuyer housing counseling paid for by the MFA and available through ILRC Housing Division. ILRC is located in Albuquerque at 4401 B Lomas Blvd., NE. Telephone: (505) 266-5022.

Counties	By Family Size					
	1	2	3	4	5	6
Albuquerque MSA (Bernalillo, Sandoval, Tarrant, Valencia)	\$35,250	\$40,250	\$45,300	\$50,300	\$54,350	\$58,350
Santa Fe MSA and Los Alamos Counties	\$36,600	\$41,800	\$47,050	\$52,250	\$56,450	\$60,650
Farmington (San Juan County)	\$31,000	\$35,400	\$39,850	\$44,250	\$47,800	\$51,350
Las Cruces MSA (Dona Ana County)	\$26,350	\$30,100	\$33,850	\$37,600	\$40,650	\$43,650
Chavez	\$26,850	\$30,650	\$34,500	\$38,300	\$41,400	\$44,450
Colfax	\$28,850	\$33,000	\$37,100	\$41,200	\$44,500	\$47,800
Eddy	\$33,750	\$38,550	\$43,350	\$48,150	\$52,050	\$55,900
Grant	\$26,400	\$30,200	\$33,950	\$37,700	\$40,750	\$43,750
Harding	\$28,750	\$32,850	\$36,950	\$41,050	\$44,350	\$47,650
Lea	\$28,950	\$33,050	\$37,200	\$41,300	\$44,650	\$47,950
Lincoln	\$32,100	\$36,700	\$41,300	\$45,850	\$49,550	\$53,200
Otero	\$27,550	\$31,450	\$35,400	\$39,300	\$42,450	\$45,600
Rio Arriba	\$28,500	\$32,550	\$36,600	\$40,650	\$43,950	\$47,200
Taos	\$27,200	\$31,050	\$34,950	\$38,800	\$41,950	\$45,050
All other Areas and Counties of the State	\$26,350	\$30,100	\$33,850	\$37,600	\$40,650	\$43,650

What are the benefits?

First-time homebuyers with disabilities or those with household members with disabilities are assisted in the purchase of a home through a second mortgage loan program with loans of up to \$8,000. The homebuyer can use the second mortgage for a [down payment](#) and/or [closing costs](#). Additional funds may be borrowed for prepaid expenses, cash reserves or to rehabilitate the home for accessibility. The loan is made at a 0% [interest](#) rate.

Helping Hand Program Price Limits	
Area	Purchase Price Limit
Los Alamos County	\$380,650
Santa Fe County	\$427,500
San Juan County	\$281,250
All other Areas and Counties of the State	\$271,050

How do I apply?

Helping Hand is available statewide on a limited basis. MFA can advise you as to the availability of the program in your area, or you can contact an MFA [participating lender](#).

HERO Program

What is the HERO program?

The [HERO program](#) is administered by the New Mexico Mortgage Finance Authority (MFA) and is a special first mortgage loan that includes a 3.0 percent down payment assistance grant to low- to moderate-income homebuyers employed in specific occupations.

HERO is a 30-year, fixed-rate, FHA-insured mortgage loan. The down payment assistance grant does not have to be repaid. The program requires a \$1,000 contribution from the homebuyer. The 3.0 percent grant can pay for additional costs associated with a home purchase, such as additional down payment and closing costs.

Am I eligible?

At least one member of the household must be a safety worker, health care worker, educator, or an active member of the Armed Forces. You do not need to be a first-time homebuyer to qualify for the program.

The purchase price of the home must not exceed the following limits:

County	Cost limit
Los Alamos County and Santa Fe County	\$342,585
All other areas of the state	\$243,945

The income limits apply to any size household.

County	Income limit
Albuquerque MSA (Bernalillo, Sandoval, Valencia)	\$75,480
Santa Fe and Los Alamos Counties	\$74,400
All other areas of the state	\$65,040

What are the benefits?

While good credit is still needed to qualify, the HERO mortgage loan has greater flexibility related to past credit issues, income, and assets than many mortgage loan programs. The interest rate is currently capped at 6.0%, which may be lower than a borrower can find under other programs.

How do I apply?

HERO is available through MFA [participating lenders](#). You need to request the HERO program and the lender will coordinate the mortgage with MFA.

Fannie Mae Affordable Housing

What is Fannie Mae?

The Federal National Mortgage Association or "[Fannie Mae](#)" is a privately owned corporation that was approved by the Federal government to help make homeownership more affordable for low and moderate-income households. Fannie Mae offers many affordable housing mortgage programs for the purchase of single-family homes, including several low or no [down payment](#) products. Fannie Mae also has programs for the purchase of multi-family homes. Fannie Mae does not make loans directly to individuals, but offers its products through banks and other mortgage lenders.

What benefits will I receive?

Fannie Mae's mortgage options include:

- Flexible mortgages: low down payment mortgages with flexible options to cover the down payment (for example, a gift from a family member rather than personal savings).
- HomeStyle Renovation: this program enables borrowers to purchase a home that may need repairs, or refinance the mortgage on their existing home, and include the necessary funds for the renovation into the loan balance.
- MyCommunity mortgages: low or no down payment mortgages with special options for individuals in certain occupations, such as teachers, firefighters and police officers.
- HomePath mortgages: low down payment mortgages on homes that were foreclosed on through Fannie Mae. This program is available to owner-occupants and investors.

Am I eligible?

Eligibility rules are different for each type of mortgage, but to qualify for most Fannie Mae low or no down payment mortgages, you must:

- complete an approved homebuyer training course
- plan to live in the home you buy
- meet the borrower income limits

Fannie Mae mortgages have loan limits based on where the property is located. In New Mexico, the largest loan made under a Fannie Mae mortgage is \$417,000. Certain income conditions also apply. For example, individuals and families applying for a MyCommunity mortgage loan generally must not have an income higher than 100% of the area median income. To determine the area median income where you live, use Fannie Mae's [online search tool](#).

There are no income limits for buyers in certain low-to-moderate income areas in New Mexico that are part of a special Fannie Mae program called FannieNeighbors. Certain census tracts are designated to increase home ownership and revitalization as part of FannieNeighbors. Check with your lender, or search Fannie Mae's FannieNeighbor Census Tract [look-up tool online](#).

Where can I find more information?

You may also call the Fannie Mae Consumer Resource Center at 1-800-732-6643. Your local bank or mortgage company will also have information about Fannie Mae loans. You may use the Fannie Mae web site's [Find a Lender Search](#) to find a list of lenders in your area who participate in Fannie Mae programs.

Freddie Mac

What is Freddie Mac?

Federal Home Loan Mortgage Corporation, or "[Freddie Mac](#)," was created by Congress in 1970 to ensure that financial institutions have mortgage money to lend, make it easier for consumers to afford a house or apartment, and stabilize residential mortgage markets in times of financial crisis.

Freddie Mac purchases home loans that approved lenders originate.

What benefits does Freddie offer?

For a homebuyer, Freddie Mac makes purchasing a home more affordable by offering low down payment requirements, flexible debt-to-income ratios, and other options that make it easier to qualify. Freddie Mac does not make loans directly. Freddie Mac mortgages are offered by banks and other mortgage lenders.

The basic low to moderate income mortgage offered by Freddie Mac is the [Home Possible Mortgage](#). This mortgage is a low-down payment option with reduced mortgage insurance coverage levels.

Am I eligible?

To be eligible, your family must not exceed HUD's area median income requirements. To find the area median income for your area, use [Freddie Mac's Income Eligibility tool](#). Area median income requirements do not apply in certain undeserved areas. In New Mexico, these can be found using the above online tool from Freddie Mac.

You must also meet a homeownership education requirement by taking a basic homeownership course. Your lender can provide the details of available programs that will meet this requirement.

How do I apply?

Freddie Mac mortgages are offered by banks and other mortgage lenders. You should call your local bank or mortgage company for more information, or you can call Freddie Mac at 1-800-FREDDIE.

Where can I find more information?

Review [Freddie Mac mortgage products online](#) and read more about [homeownership](#). You can also contact your local bank or mortgage company for more information.

Government Insured Mortgages

Government insured mortgages are mortgages that the government guarantees to pay in the case that the homebuyer defaults on the loan (stops making payments). In general, mortgage lenders require that a homebuyer make a down payment of at least 20% of the purchase price in order to be approved for a loan.

If the down payment is less than this amount, the lender requires the borrower to purchase mortgage insurance. Mortgage insurance protects the lender if the homeowner stops making payments on the loan. (If this happens, the mortgage insurance company pays off

the loan to the lender and the homeowner loses the house.) This is called private mortgage insurance, or PMI.

Many low and moderate-income families do not have a 20% down payment and do not qualify for private mortgage insurance. In order to help these families get approval for home loans, the U.S. government has three programs to guarantee loans for families that qualify.

These programs are offered by the [Federal Housing Administration \(FHA\)](#), the [Department of Veterans' Affairs \(VA\)](#), and the Department of Agriculture's [Housing and Community Facilities Programs](#). Each program has its own requirements.

FHA Mortgage Insurance

The FHA offers mortgage insurance to help homebuyers who cannot get home loans because they do not qualify for private mortgage insurance. FHA mortgage insurance is not free.

Homebuyers who receive FHA mortgage insurance must pay for it just as they would have to pay for private mortgage insurance. FHA mortgage insurance costs more than private mortgage insurance, but some of the cost can be financed (included in the loan amount), so not as much cash is needed at closing.

FHA loans offer:

- flexible qualifying requirements
- no income limit
- low [down payments](#), including a 3% option
- many closing costs may be financed (included in the loan amount)
- anyone may apply

FHA mortgage limits vary by community. To find the mortgage limits in your area, use the search tool on the [FHA Mortgage Limits](#) page.

For more information on FHA mortgage insurance and other FHA programs:

- visit the HUD web site: [HUD's Mortgage Insurance Programs](#)
- or call the HUD Counseling and Referral Line at 1-800-217-6970.

VA Guaranteed Home Loans

VA home loan guarantees are available only to eligible veterans buying homes in which they plan to live. Veterans must have a Certificate of Eligibility. If you do not have this certificate, you may be able to get an Automated Certificate of Eligibility (ACE) from your mortgage lender.

If your lender cannot certify your eligibility using ACE, you must fill out [VA Form 26-1880](#),

and return it with proof of military service to:

VA Loan Eligibility Center
P.O. Box 20729
Winston-Salem, NC 27120
Telephone: 1-888-244-6711

NOTE: Unmarried surviving spouses of veterans who died on active duty or as the result of service-connected disabilities are also eligible for the home loan benefit.

With VA guaranteed loans, there is no mortgage insurance cost because the government guarantees these loans. However, there is a funding fee, which is currently 2% of the loan amount for loans with no down payment (less if the buyer makes a down payment). The funding fee may be financed (included in the loan amount).

VA guaranteed loans offer:

- no mortgage insurance cost
- no down payment requirement
- no VA maximum loan amount (however, lenders usually limit the loan amount to \$240,000)
- VA assistance if the veteran needs temporary help in making mortgage payments

For questions about eligibility:

- visit the Veterans Administration web site: [Home Loans](#)
- or call the VA Loan Eligibility Center at 1-888-244-6711.

For other questions, you may call a Veterans Services Representative at 1-800-827-1000.

The Housing and Community Facilities Programs (HCFP)

What is the HCFP guaranteed rural housing loan program?

The Housing and Community Facilities Programs (HCFP) loan guarantees are for low and moderate-income families who want to purchase modestly priced housing for their own use in rural areas. The government guarantees the loans; therefore, no mortgage insurance is required.

Am I eligible?

To be eligible, applicants must:

- have a steady, modest income, up to 115% of the area median income
- purchase a modestly priced home, generally in a rural area

- plan to live in the home they buy
- be unable to qualify for a conventional home loan with private mortgage insurance
- have an acceptable credit history
- be able to afford the home they purchase (housing expenses can be no more than 29% of total income; total debt expenses can be no more than 41% of total income)

HCFP guaranteed loans offer:

- no mortgage insurance cost
- no down payment requirement
- closing costs can be included in the loan amount

HCFP has a direct loan program for low and very low income families in addition to its loan guarantee program.

For more information about these and other HCFP programs, visit the [USDA Rural Development Housing Program web site](#), or contact your local service center. To find a service center near you, visit the USDA [Office Information Locator](#). **add these**

Tax Credit Loan Program

PLEASE NOTE: The Tax Credit Loan Program has ended. Information on this page is no longer being updated.

What is the Tax Credit Loan program?

The federal government passed laws creating two first time homebuyer tax credits. For homes purchased in 2008, this tax credit is worth up to \$7,500 and must be repaid in installments beginning in 2010.

The American Recovery and Reinvestment Act (ARRA) of 2009 expanded the first time homebuyer tax credit to \$8,000 for home purchases made in 2009 (prior to December 1, 2009) during the eligibility period. This tax credit does not need to be repaid in most cases.

Because of the need for down payment and closing cost assistance to purchase a home, the New Mexico Mortgage Finance Authority (MFA) has created the “Tax Credit Loan Program”. The Tax Credit Loan Program provides a first-time homebuyer with a loan of 8 percent of the sales price or \$6,500, whichever is less, to cover the down payment and closing costs associated with purchasing a home.

After loan closing, the homebuyer may file for the federal first-time homebuyer tax credit and use the tax refund to pay off the Tax Credit Loan.

As long as the homebuyer pays off the Tax Credit Loan prior to June 30, 2010, the homebuyer will not have to pay any interest on the loan. If the borrower chooses not to pay off the Tax Credit Loan by June 30, 2010, the loan will convert to a 30 year, fixed rate second mortgage that requires a modest monthly payment.

Am I eligible?

The Tax Credit Loan Program is available statewide to first-time homebuyers who have not owned a home for the past three years. Current gross annual household income may not exceed the income limit listed below, unless the purchase is in a targeted area.

Counties	Family Size		
	1	2	3+
Bernalillo, Sandoval, Valencia (Albuquerque MSA)	\$55,900	\$55,900	\$64,285
Santa Fe County (Santa Fe MSA)	\$57,000	\$57,000	\$66,550
All other areas	\$46,600	\$46,600	\$53,590

Certain areas of the state are designated by the federal government as **targeted areas**. These include specific census tracts in Bernalillo, Cibola, Curry, Dona Ana, Lea, Luna, McKinley, Rio Arriba, Sandoval, San Juan, and Socorro counties. Income limits for qualifying households are higher in these areas. Contact the MFA for more information (505) 843-6881.

Additionally, purchase prices may not exceed the following amounts:

Area	Purchase Price Limits
Santa Fe	\$343,799
Los Alamos	\$286,875
All other areas	\$237,031

How do I apply?

The Tax Credit Loan program is available through MFA participating lenders. You need to request the program and the lender will coordinate the mortgage with MFA and answer any questions you may have about the program.

Homebuyer Tax Credits

PLEASE NOTE: Homebuyer Tax Credits have ended. Information on this page is no longer being undated.

What are homebuyer tax credits?

Homebuyer tax credits are tax credits refunded to homebuyers who purchase a home between April 8, 2008 and April 30, 2010. There are three primary types of tax credits relevant to this time period:

- The Housing and Economic Recovery Act of 2008 provided for a tax credit worth up to \$7,500 for homes purchased during 2008. The tax credit is similar to a 15-year, no interest loan and must be repaid in installments beginning in 2010.
- The American Recovery and Reinvestment Act (ARRA) of 2009 expanded the first time homebuyer tax credit to \$8,000 for home purchases made in 2009. This tax credit does not need to be repaid in most cases.
- The Worker, Homeownership and Business Assistance Act of 2009 extends and expands the first-time homebuyer credit allowed by the above laws. Under the new law, an eligible taxpayer must buy, or enter into a contract to buy, a home between November 7, 2009 and before April 30, 2010 and close on the home by June 30, 2010. Taxpayers may claim the credit on either their 2009 or 2010 return. The tax credit is up to \$6,500 and does not need to be repaid in most cases.

Am I eligible?

To be eligible, the home must be your principal residence. Additionally, you must be a homebuyer who:

- has not owned a house the past three years OR have owned the same main residence for five of the past eight years if claiming the credit for a home purchased between November 7, 2009 and April 30, 2010
- is a citizen or a resident alien as defined by the IRS
- did not buy the home from a person related to you
- meets the following income guidelines:

	For home purchases between April 8, 2008 and November 6, 2009	For home purchases between April 8, 2008 and November 6, 2009	For home purchases between November 7, 2009 and April 30, 2010
Filing status	Full credit income limits	Partial credit income limits	Full credit income limits
Single or head-of-household	less than \$75,000	\$75,000-\$95,000	\$125,000-\$145,000
Married filing jointly	less than \$150,000	\$150,000-\$170,000	\$225,000-\$245,000

You must own and live in the home for at least three years.

How do I apply?

The tax credit must be claimed on your federal income tax return.

- First time homebuyers may claim the 2009 tax credit on 2008 tax returns if the home was purchased prior to April 15 or the tax return may be claimed on the 2009 tax return due April 15, 2010.
- First time homebuyers or homebuyers who have owned the same principal residence for five of the past eight years may claim the credit for a purchase between November 7, 2009 and April 30, 2010 on their 2009 or 2010 tax returns.

The credit may not be claimed prior to the closing date of the home purchase.

The credit is claimed on [IRS Form 5405](#). (Note: Opens a PDF file.)

What are the benefits?

The tax credit reduces your tax bill or increases your refund dollar for dollar. In 2008, the tax credit is up to \$7,500 and in 2009 the tax credit is up to \$8,000; for the time period November 7, 2009 through April 30, 2010, the tax credit is up to \$6,500.

Do I have to pay back the credit?

If you bought a home after April 8, 2008 and before July 1, 2009 and claimed the 2008 tax credit, you need to pay back the credit in 15 equal annual payments at 0% interest beginning with your 2010 tax return.

If you bought a home after January 1, 2009 and before May 1, 2010 and claimed the 2009 or 2010 tax credits you do not need to pay back the tax credit unless the home ceases to be your main residence within a three year period following the purchase.

Homebuyer Education/Counseling

What is housing counseling?

The [New Mexico Mortgage Finance Authority \(MFA\)](#) has partnered with organizations throughout New Mexico to provide counseling to first-time homebuyers. These courses are designed to educate homebuyers about programs for them as well as to make them aware of all the resources available.

Additionally, counseling provides step by step guidance, including advice on [mortgages](#), brokers, credit, choosing an attorney, making an offer to purchase, home inspections, closing, home maintenance, and preventing [foreclosure](#).

Am I eligible?

The courses are open to the public and are generally free.

What benefits will I receive?

When you complete the course, you will be able to apply for many special homeownership programs including loans, downpayment assistance, or other forms of assistance available to those who have taken homebuyer training.

These include [Payment\\$aver](#) and other affordable mortgages, and [down payment](#) and closing cost assistance programs.

Where can I get more information?

For more information or to sign up for classes, you should contact the organization that serves your community. [add to calender](#)

For a list of agencies, see Housing Counseling by community at MFA's website: <http://www.housingnm.org/housing-counseling>.

Mortgage Loan Refinancing Programs

Mortgage loan refinancing allows homeowners to obtain a new mortgage loan at terms that may be more favorable than their current loan; for example, a lower or fixed [interest](#) rate. For homeowners at risk of [foreclosure](#), they may be able to replace their current mortgage loans with new lower cost loans.

Foreclosure prevention refinancing programs help homeowners:

- pay off current unaffordable mortgage loans
 - obtain a new loan with lower monthly payments
 - keep their houses
-

You may have several options to refinance, depending on your financial situation. You may apply to refinance through your current lender or a new lender. Generally, you will need to provide the following types of information:

- Personal data
- Income
- Assets
- Debts and other financial obligations
- Property information about your home

Making Home Affordable Refinance Program

What is the Making Home Affordable Refinance program?

Under the program, homeowners can refinance to a 30-year or 15-year fixed rate loan at market interest rates. For details about the program, including eligibility, benefits, and how to apply, see [Making Home Affordable Refinance Program](#).

The Making Home Affordable Refinance program is a program that helps homeowners with a good credit history who:

- are facing a mortgage payment that they will not be able to pay in the future by refinancing an adjustable rate loan into a stable fixed-rate 15 or 30 year mortgage; or
- owe more on their homes than their homes are worth by allowing them to refinance their mortgage loans at lower rates.

The term “refinance” means to change your old loan to a new one. The new loan pays off the old loan, so the borrower makes payments on the new loan just as he or she would on the old one, but at terms that are presumably better than the old loan.

The Home Affordable Refinance Program enables homeowners to take advantage of mortgage interest rates that are currently very low. The program is currently scheduled to end on December 31, 2015.

Am I eligible?

To determine if you are eligible for Home Affordable refinancing, you should contact your mortgage loan servicer and ask for a determination of eligibility. You may be eligible if:

- You live in your home as your primary residence. Your home can be single-family or multi-family, up to four units.
- You have a Fannie Mae or Freddie Mac loan. To find out who owns your loan, contact the company that sends your mortgage bill. You may also contact:
 - Fannie Mae via phone (1-800-7FANNIE) or check online at [Fannie Mae Loan Look-up](#).
 - Freddie Mac via phone (1-800-FREDDIE) or check online at [Freddie Mac Loan Look-up](#).
- You are current on your loan. You are current on your loan if you have not been more than 30 days late on your mortgage payments in the past 12 months.
- The amount you owe on your first mortgage is no more than 105% of the current value of your home. For example, if your home is worth \$100,000, you owe no more than \$105,000 on your mortgage.
- You have steady income and can afford the new mortgage payments

For more information about eligibility, see [Finding the Right Program](#) on the Making Home Affordable web site.

What benefits will I get?

The Home Affordable Refinancing program allows homeowners to refinance to a 30-year or 15-year fixed rate loan at current market interest rates. Refinancing to a lower rate can save you thousands of dollars in the long term on your loan.

If your current loan is a fixed rate loan at a much higher interest rate, your monthly payments will go down and you will start saving money right away. If your current payments are low because of an introductory rate or because you are only paying interest, your monthly payments may go up, but they will not increase later.

You will not be required to buy any additional mortgage insurance.

You must pay any points or other fees charged by your lender, but you may be able to include these costs in the refinance amount.

How do I apply?

Contact the company that handles your current mortgage loan and ask for a Home Affordable Refinance application. The phone number should be on your monthly mortgage statement.

Interest rates and closing costs may vary from one lender to another and from one day to the next. If you have a Freddie Mac loan, you must refinance with your current lender.

If you have a Fannie Mae loan, you can shop around for the best deal, as long as you choose another [Fannie Mae approved lender](#).

Making Home Affordable Modification Program

What is the Making Home Affordable Modification Program?

The Making Home Affordable Modification program helps homeowners who cannot afford their monthly mortgage payments and are in danger of foreclosure.

Under the program, mortgage providers modify loans by lowering the interest rate or taking other steps to make them affordable. Homeowners pay no more than 31% of their monthly household income for their modified loan payments.

Mortgage servicers are the key to making this program available in New Mexico. Servicers will receive a payment from the government for every loan modification. In addition, the government gives financial incentives to mortgage providers and to borrowers when payments are made on time.

Home Affordable modifications are free to homeowners. The government and the mortgage providers share the costs. The program is available to homeowners through December 31, 2015.

Am I eligible?

In an effort to provide meaningful solutions to the housing crises, the Obama Administration expanded the population of homeowners eligible for the Home Affordable Modification program to include:

- Homeowners who are applying for a modification on a home that is not their primary residence, but the property is currently rented or the homeowner intends to rent it.
- Homeowners who previously did not qualify for the programs because their debt to income ratio was 31% or lower.
- Homeowners who previously received a trial period but defaulted in their trial payments.
- Homeowners who previously received a permanent modification, but defaulted in their payments, therefore losing good standing.

You may be eligible for Home Affordable Modification if:

- You obtained your mortgage on or before January 1, 2009.
- You owe no more than \$729,750 on your first mortgage for your primary residence or single unit rental property.
- You owe no more than \$934,200 on a 2 unit rental property, \$1,129,250 on a 3 unit rental property or \$1,403,400 on a 4-unit rental property.
- Your loan is not affordable because of financial hardship and are either delinquent or in danger of falling behind on your mortgage payments. (Non-owner occupants must be delinquent in order to qualify)
- The property has not been condemned.
- You have sufficient documented income to support a modified payment.
- You must not have been convicted within 10 years of a felony larceny, theft, fraud, or forgery, money laundering, or tax evasion, in connection with a mortgage or real estate transaction.

You do not have to be behind in your mortgage payments to qualify for a modification. The program is for homeowners who will be at risk in the near future, as well as those already in trouble with their loans. If you are in foreclosure, the foreclosure will be suspended while your lender checks your eligibility.

If your total monthly expenses (modified mortgage, second mortgage, credit card debt, car loans, student loans, child support, etc.) are very high compared to your income, you must agree to get homeowner counseling from a HUD-approved counseling agency before you will be approved for a Making Home Affordable modification.

Eligibility criteria are for guidance only. Contact your mortgage company to see if you may be eligible. For more information about eligibility, see [Finding the Right Program on the Making Home Affordable](#) web site.

What benefits will I get?

The Making Home Affordable Mortgage Modification Program will modify your loan, giving you an affordable monthly payment (no more than 31% of your gross monthly household income).

To make your monthly payments affordable, your mortgage provider will lower your interest rate, to as low as 2% if necessary.

If lowering the interest rate is not sufficient to make your payments affordable, your lender may also:

- Extend your loan to 40 years.
- Defer payment on a portion of your loan with no interest. Your payments are based on the remaining principal. You still owe the deferred portion, but don't have to pay it back until you pay off your loan, refinance, or sell your house.
- Forgive part of your debt (this is optional).

For each mortgage payment that you make on time, you earn a Pay-for-Performance Success Payment from the government. These payments lower your principal balance.

The government will pay up to \$1,000 per year for up to five years, for a total of \$5,000. You must stay in the program at least one year before the payments are applied to your loan.

If you have a second mortgage, the government will make a cash offer to the lien holder to forgive the debt.

How do I apply?

[Contact the company](#) that services your current mortgage loan. The phone number should be on your monthly mortgage statement.

When you apply, you will need to provide the following types of information

- Second mortgages or equity loans
- credit card debt
- other debts (car loans, student loans)
- a copy of your most recent tax return
- an explanation of your financial hardship
- [Request for Mortgage Assistance Form](#)
- IRS Form [4506-EZ](#) or [4506-T](#)
- [Verification of Income](#)

Applications from homeowners at greatest risk of foreclosure will be processed first.

Your mortgage company will check your eligibility and determine what modifications (lower interest rate, 40-year term, forbearance, or forgiveness) are needed to make your payments affordable. If the modifications cost less than foreclosure, you will qualify for a Home Affordable modified loan.

If you do not qualify for a Home Affordable modification, you should ask your mortgage provider about other options. For more information, see [Other Options than Foreclosure](#).

Useful links

[Making Home Affordable Refinance and Modification Options](#): Official information about the Home Affordable Program, from the U.S. Treasury. Includes:

- Find Out If You Are Eligible
- Borrower Questions and Answers
- Making Home Affordable Fact Sheet
- Summary of Guidelines
- Modification Program Guidelines
- Resources for Borrowers

The [Financial Stability](#) page of the U.S. Treasury web site: A portal for information about all government programs included in the financial stability plan.

Other Programs for Existing Homeowners

Low and moderate-income homeowners may own their own home but find it difficult to keep up with the costs of homeownership such as utilities or maintenance. Programs for existing homeowners provide funding for improving the energy efficiency of a home by making weatherization improvements or for bringing major systems into compliance with local building codes through rehabilitation.

New Mexico Energy \$mart/Weatherization Assistance Program

What is the NM Energy \$mart Program?

The New Mexico Energy \$mart Program assists low-income homeowners and renters install energy efficiency aids free of charge. Providers install the upgrades to the home. The upgrades are not expensive and are selected to maximize efficiency. Homeowners and renters who qualify for the program receive an average of \$4,500 in energy efficient upgrades.

A trained team will come to your home and give it an "efficiency test." With the findings of the test, the team decides what the most cost effective upgrades will be. The savings on energy costs can then be used by low-income families to pay for other vital living expenses such as food, clothing, and transportation.

Who funds and runs the NM Energy \$mart Program?

The Energy \$mart Program is funded by the Department of Energy, [LIHEAP](#), PNM, and money from the state general fund. In New Mexico, the agency given the responsibility to distribute these funds is the New Mexico Mortgage Finance Authority (MFA). MFA distributes the money and services through three New Mexico construction and energy efficiency organizations. Each county is assigned to one of these organizations. In order to find out which organization that you need to contact, see the [How Do I Apply?](#) section.

What does it mean to weatherize your home?

Weatherizing your home means that you permanently improve the energy efficiency of your home, which in turn reduces your energy bills. Low-income homes that have received assistance through this program have a lower rate of default on their utility bills and they decrease their yearly utility bills. Simple things like adding insulation to walls and attics or adding weather stripping are ways to weatherize your home.

Am I Eligible?

If someone in the household receives [SSI](#) or [TANF](#), you are automatically eligible for the NM Energy \$mart Program (also called Weatherization Assistance Program, or WAP). Because funding is limited, houses with the following criteria are given top priority:

- People over 60 years old
- Families with members who have disabilities
- Families with children

You may also be eligible for the program if you meet the income limits, even if you do not receive SSI or TANF. Because funding is limited, you may be placed on a waiting list.

What are the income limits?

Household Size	Maximum Income Limit (200% of Federal Poverty Guidelines)
1	\$22,980
2	\$31,020
3	\$39,060
4	\$47,100
5	\$55,140
6	\$63,180
7	\$71,220
8	\$79,260

Do I have to be a homeowner to receive assistance?

No. Whether the home is owned or rented, a mobile home, single family or multi-family dwellings, if you qualify, your home can receive permanent weatherization. If you are a renter, you must have written permission from your landlord.

What Benefits Will I Receive?

Each household that qualifies for the program receives an average of \$4,500 in weatherization assistance. You may be eligible for the following services and/or products:

- repair or replacement of broken glass
- installation of thresholds and weather-stripping
- sealing/caulking cracks
- installation of door sweeps
- installation of new exterior doors
- installation fireplace dampers
- installation of water heater insulation blankets
- installation of thermostat controls
- incidental repairs including lumber to frame or repair windows and doors
- roofing materials to patch or repair leaks
- protective materials (paint), or repair materials
- ceiling, wall and floor insulation
- compact florescent light bulbs
- new refrigerator
- stove pipe repair/replacement
- smoke and carbon monoxide detectors
- space heaters
- furnace repair/replacement
- moisture related problems

How Do I Apply?

Who do I contact to apply for the NM Energy Smart program?

<p>Counties & Pueblos</p>	<p>Northern New Mexico Counties: Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, and Taos Pueblos: Taos and Picuis</p>	<p>Central New Mexico Counties: San Juan, McKinley, Cibola, Rio Arriba, Santa Fe, Los Alamos, Socorro, Lincoln, Bernalillo, Sandoval, Torrance, and Valencia Pueblos: Acoma, Laguna, Zuni, Ohkay Owingeh, Nambe, Pojaoaque, San Ildefonso, Santa Clara, Tesuque, Cochiti, Isleta, Jemez, San Felipe, Sandia, Santa Ana, Santo Domingo, Zia, and the Jicarilla Apache Nation</p>	<p>Southern New Mexico Counties: Catron, Dona Ana, Grants, Hidalgo, Luna, Sierra, Otero, Chaves, Eddy, Lea, DeBaca, Curry, and Roosevelt Pueblos: Mescalero Apache Nation</p>
<p>Contact Information</p>	<p>Rocky Mountain Youth Corps PO Box 1960 Rancho de Taos, NM 87557 Phone: 575-751-1420 Tollfree: 855-892-4440 www.youthcorps.org</p>	<p>Central NM Housing Corporation 703 Osuna Road NE, Suite #2 Albuquerque, NM 87113 Phone: 505-345-4949 Tollfree: 855-345-4949 www.centralnmhousing.org</p>	<p>Southwestern Regional Housing & Community Development Corp. 109 E. Pine Street, #5 Deming, NM 88030 Phone: 575-546-4181 www.swnm.org</p>

What information will I need to have when I apply?

Proof of Income:

- Employed:
 - 3 most recent paycheck stubs
- Social Security:
 - Award letter dated within 90 days
- Self-Employed:
 - Tax return
 - Notarized statement of earnings
- Unemployment:
 - Benefits History Report

All applicants must also bring their most recent electric bill, gas bill, or propane bill. On the application, you will need to list the names of everyone in the household.

How does the process work?

- Call your local organization (see [above list](#)) and have an application mailed to you, or you may download it. The same application is used everywhere in the state.
- Fill out the application and take it to your local organization. You can also fill it out with the help of the organization. Call first to make an appointment.
- The application process usually takes about 20 minutes.
- Once your eligibility is determined, the weatherization agency puts you on a waiting list.
- If you rent, you must get permission from your landlord.
- The following households are considered most in need and are often moved to the top of the waiting list:
 - Households with a member over 60
 - Households with a member on SSI or [TANF](#)
 - Households with children
- When it is time to weatherize your home the following will take place:
 - Your energy bills will be reviewed
 - Your outside door will be tested with a [blower door](#)
 - Your [water heater](#), [furnace/cooler](#), and/or fireplace will be inspected for health and safety
 - You will be given the most cost-effective energy conservation measures for your home

Important notes:

- Your weatherization organization schedules the work.
- There is an average expenditure of \$4,500 per home.
- All work is energy-related. Work does not include new roofing, siding, or similar projects.
- Work is typically completed in one to two days.
- You sign off on the final inspection.

Mortgage Loan Modification

What is a mortgage loan modification?

Homeowners at risk of foreclosure can use a mortgage loan modification to make their existing mortgage loan more affordable. Loan modifications usually result in lower monthly mortgage payments.

Mortgage lenders generally agree to modify a loan when they will lose less money

modifying the loan than by foreclosing on the house. Although loan modifications help the homeowner, the benefits to the homeowner do not usually affect the decision of the lender.

Instead of modifying the mortgage, lenders sometimes agree to delay a foreclosure for a period of time, temporarily reduce or suspend payments, or set up a repayment plan for missed payments.

What are the benefits?

Mortgage loan modifications alter the conditions of your mortgage to make your payments more affordable. Loans are modified to prevent foreclosures and homeowners benefit by getting to keep their houses.

Your bank or mortgage lender has determined a set of eligibility rules and benefits for their modification programs. Lenders may negotiate on a case-by-case basis. Check with your lender for a description of their modification programs.

Common mortgage loan modifications may:

- Decrease the mortgage [interest](#) rate: A decrease in the mortgage interest rate lowers your monthly payments. The decrease can be temporary or permanent.
- Forgive part of the loan amount: The lender agrees to lower the total amount you owe on the loan, which reduces your monthly payments.
- Defer part of the loan amount, interest-free: The lender defers part of the principal for a period of time, and calculates your mortgage payments based on the remaining principal. This lowers your monthly payments temporarily.
- Give you more time to pay off the loan: If you have a 30-year mortgage, the lender may extend it to 40 years. This lowers the monthly payments because you are paying off your loan for a longer period of time.

Lenders may also offer:

- Foreclosure delay or moratorium: This delays the foreclosure sale to give you more time to work out a solution.
- Forbearance: This stops or reduces your mortgage payments for a period of time.
- Repayment plan: This gives you extra time to repay missed payments, usually by adding a portion of the debt to each regular monthly payment until you are caught up.

Can I delay a foreclosure?

Lenders are often willing to delay a foreclosure to give you more time to find a solution. Lenders may delay foreclosures on a case-by-case basis, or may announce a foreclosure moratorium that applies to an entire group of borrowers.

Contact your lender to discuss the potential to delay your pending foreclosure.

How can I apply?

Contact your lender or mortgage servicer to discuss your loan modification options. Your lender usually won't offer a loan modification or other solution unless you ask for it.

If you get a default or foreclosure notice from your lender, ***do not ignore it***. Call your lender to see if they are willing to help.

The amount of equity you have in the house may affect your lender's willingness to modify your loan. Equity is the difference between the fair market value of your house and the amount you owe.

- If you have little equity and your lender would lose money at foreclosure, you are more likely to get a loan modification.
- If you have enough equity to cover the loan amount and fees for the foreclosure sale, you are less likely to get a loan modification.

Your lender will usually choose the lowest cost solution.

The entity that owns your loan also affects your ability to get a modification. Some mortgage loans are held by one lender such as a bank, while other loans are split up and sold to investors. It is easier to get a loan modification if your loan is held by one owner. Many of the major U.S. banks have mortgage modification programs.

For most loan modifications, lenders require that you:

- Live in your house as your principal residence
- Have steady income
- Show that you will be able to afford the lower payments

There may also be additional requirements. If your lender refuses to modify your loan, you should call a [foreclosure counseling program](#) to see if they can help.

Home Affordable Modification Program

The federal Home Affordable Modification Program will give many homeowners who are at risk of foreclosure or who owe more on their home than the home is worth the ability to refinance or modify their mortgage loans. It is a temporary program to bring stability to the housing market during the current financial crisis.

Homeowners pay no more than 31% of their monthly household income for their modified loan payments. Costs are shared by the mortgage providers and the federal government.

The Home Affordable Modification program replaced the Streamlined Modification Program (SMP) on March 4, 2009.

For details, including eligibility, benefits, and how to apply, see [Making Home Affordable Loan Modification Program](#).

Foreclosure Prevention Counseling

What is foreclosure prevention counseling?

In some areas of New Mexico, homeowners who are in trouble with their mortgage loans are able to get free foreclosure counseling. Foreclosure counselors provide advice and services to help homeowners avoid foreclosure. Counselors review your mortgage and finances with you and help you find a solution that is best for you.

What are the benefits of foreclosure counseling?

Foreclosure counseling programs can often provide concrete solutions to foreclosure including:

- **Negotiation services:** Counselors talk to your current lender to try to work out a repayment plan that you can afford. The counselor might ask your lender to lower the mortgage interest rate, forgive part of the loan, or give you more years to repay the loan.
- **Refinancing services:** Counselors try to find a new mortgage loan for you that fits your budget, so you can refinance and keep your house.
- **Legal assistance:** If your lender has broken the law and has violated your legal rights, your counselor will get legal assistance for you.
- **Financial counseling:** Counselors help you budget your money so you can make your mortgage payments on time. If you decide you do not want to keep your home, they can help you avoid foreclosure and protect your credit rating.
- **Consumer education:** Counselors teach homeowners how to recognize and avoid predatory lenders and scam artists so they do not become victims and put their homes at risk.

Important: *If you are facing foreclosure, your lender will publish your name and address in the local newspaper. This is part of the foreclosure process and is required by law. Scam artists and*

predatory lenders may contact you and try to take advantage of you. You should always call an approved counseling agency to check any loan offers you get.

Where can I get foreclosure prevention counseling?

The following agencies have free foreclosure counseling programs for New Mexico residents who are having trouble with their home loans. For most programs, you do not have to apply to get help. Just call the agency and ask to speak with a counselor.

- [The United South Broadway Corporation](#): 505-764-8867. Nonprofit organization based in Albuquerque that offers free foreclosure counseling for families facing crisis.
- [HUD Approved Housing Counseling Agencies](#)
The Department of Housing and Urban Development (HUD) provides a list of HUD-approved agencies that offer counseling services in New Mexico (approximately 20). These agencies offer counseling free of charge.

Useful links for foreclosure information

The following are links to other websites with information about foreclosure that you may find helpful. NewMexicoResources.org is not responsible for the content of these sites.

1. [Avoiding Foreclosure \(Freddie Mac\)](#): Steps you should take if you cannot pay your mortgage, including how to avoid scam artists. From Freddie Mac, a federally approved mortgage corporation.
2. [FHA Mortgage Servicing and Loss Mitigation - Frequently Asked Questions](#): HUD policies on FHA loan modifications, partial claims, preforeclosure sales, deeds in lieu of foreclosure, and other mortgage options to avoid foreclosure. From the HUD National Servicing Center.
3. [Mortgage Forgiveness Debt Relief Act](#): Information about how to exclude forgiven debt related to mortgages from taxable income. Includes eligibility requirements and instructions on how to file Form 982. From the IRS.
4. [Fannie Mae: Bankruptcy, Foreclosure, and Conversion of Principal Residence Policy Changes \(Announcement 08-16\)](#): Updated underwriting requirements for borrowers with prior bankruptcy or foreclosure actions in their credit history, including deeds-in-lieu of foreclosure and preforeclosure sales. From Fannie Mae, June 2008. *Note: Opens a PDF file.*

Owner-Occupied Rehabilitation Program

What is the Owner-Occupied Rehabilitation Program?

The Owner-Occupied Rehabilitation Program helps low income homeowners make repairs to their homes. The program will reimburse rehabilitation costs including:

- application codes,
- standards or ordinances,
- rehabilitation standards,
- essential improvements,
- energy-related improvements,
- lead-based paint hazard reduction,
- accessibility for disabled persons,
- repair or replacement of major housing systems,
- incipient repairs and general property improvements of non-luxury nature,
- site improvements and utility connections.

Am I eligible?

The program is available statewide *excluding* the cities of Albuquerque and Las Cruces. Properties located on Native American Trust Lands are eligible to apply. Household eligibility is determined by the specific nonprofit, housing authority, or local government that is administering the program in your area.

How can I apply?

Nonprofits, housing authorities, and local governments primarily administer the program. These entities design and implement the program to fit the needs of their individual jurisdictions. Further, these agencies are responsible for publicizing and taking applications and qualifying applicants.

The New Mexico Mortgage Finance Authority (MFA) has also reserved program funds to provide loans to homeowners on a house-by-house, first-come, first-serve basis. Contact the MFA Program Specialist at 505-767-2260 for more details.

Also see MFA's website information on [Home Repair](#).