

New Mexico Finance Authority
810 W. San Mateo Rd., Santa Fe, New Mexico 87505
(505) 984-1454
NMFA Board Meeting Minutes
February 26, 2026
NMFA Board Room

Members Present:

Richard Garcia (via zoom)	Designee, New Mexico Association of Counties
Isaac Romero (via zoom)	Designee, NM Economic Development Dept.
Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Andrew Burke (via zoom)	Public Member, Las Cruces, NM
Ashley Leach	Designee, NM Dept. of Finance and Administration
Ben Shelton	Designee, Energy, Minerals & Natural Resources Dept.
Dennis Romero (via zoom)	Designee, NM Environment Department
Kathy Keith, Chair	Public Member, Los Alamos Natl. Laboratory
Ronald Lovato	Public Member, Ohkay Owingeh
Alison Nichols	Designee, NM Municipal League
Teresa Costantinidis (via zoom)	Public Member, University of New Mexico

Members Absent:

1. **Call to Order and Roll Call.** Chair Keith called the meeting to order at 9:00 a.m. A quorum was established.
2. **Approval of Agenda.** Member Suazo moved, seconded by Member Shelton , to approve the agenda. The motion passed 11 – 0.
3. **Approval of Board Minutes.** Member Suazo moved, seconded by Member Shelton, to approve the January 22, 2025, Board Minutes. The motion passed 11 – 0.

Member Costantinidis left the meeting at 9:22 a.m.

4. **Report from the Chief Executive Officer (“CEO”), Marquita Russel.**

NMFA experienced significant staffing changes this month with the retirement announcement of Brian DuBoff, the agency’s first Managing Director of Community & Economic Development, and the passing of Sean Endler, NMFA’s Data and Security Officer, who played a key role in modernizing the organization’s network and security systems. The 2026 legislative session was relatively quiet but largely successful for NMFA, resulting in the passage of several key bills and the allocation of approximately \$130 million in state general funds to NMFA-managed programs, although some priority funding requests were not approved. Preparations are underway for the inaugural PPRF Junior Lien bond issuance, with rating agency presentations scheduled to be held onsite to allow analysts to meet staff and tour NMFA-funded projects. NMFA’s budget cycle is beginning, with anticipated cost increases tied primarily to the expansion of the Water Trust Board Technical Assistance Program. Due to high demand, the program’s application intake was temporarily paused, and contractual costs are expected to rise as technical assistance providers support small systems in navigating the updated Water Trust Board

requirements. Staff is also continuing work on revisions to the Portfolio Management Policy, with proposed changes including raising the loan threshold for Consent Agenda placement and refining the definition of “good standing” to better reflect material compliance issues. Additional updates will clarify reporting expectations and strengthen alignment with NMFA’s new unified rating scale.

Informational Only.

- 5. Public Lending Committee.** *Committee Members are Mr. A.J. Forte, Chair, (Ms. Alison Nichols), Secretary James Kenney (Ms. Kelsey Rader/Mr. Dennis Romero), Ms. Joy Esparsen (Mr. Richard Garcia), Acting Secretary Erin Taylor (Mr. Ben Shelton), and Mr. Ron Lovato.*

5.1 Update on Activities. A quorum of the Public Lending Committee met on February 18, 2026, via Zoom. Member Nichols chaired the meeting, with members Richard Garcia, Ben Shelton, Dennis Romero, and Ronald Lovato in attendance. Staff presented two PG projects and six PPRF projects. All eight projects were approved by the Committee.

Informational Only.

- 6. Approval of Consent Agenda.**

6.1 Approval of Consent Agenda. **Member Suazo moved, seconded by Member Shelton, to approve the consent agenda. The motion passed 10 – 0.**

- 7. Regular Agenda.**

7.1 Lordsburg Municipal School District (Hidalgo County). PPRF-7004. \$1,625,000. Facility Improvements. GOB. Lordsburg MSD has requested financing through the PPRF for the first tranche of its voter-approved 2025 General Obligation Bond (“GOB”) authorization. NMFA will purchase \$1.625 million in bonds to support prioritized facility improvements, primarily the expansion of the Dugan-Tarango Middle School cafeteria. Although not included in the District’s current FMP, the school board determined the cafeteria upgrade to be the most urgent need. The District serves Pre-K through twelfth-grade students across four schools in eastern Hidalgo County and maintains a variety of academic and support programs, including services for bilingual, gifted, and special-needs students. The total project cost is estimated at \$1.5 million, with remaining funds reserved for contingencies and issuance expenses. This financing represents the first installment of the \$3.25 million bond package approved by voters in November 2025.

Member Suazo moved, seconded by Member Leach, for approval of item 7.1. The motion passed 10-0.

7.2 Valencia County. PPRF-7030. \$478,207. Fire Equipment. Valencia County is requesting PPRF financing to purchase a new fire truck and related equipment. The investment will modernize the department’s fleet, strengthen fire suppression capabilities, and improve service reliability for both Valencia County and neighboring communities. The County will pledge State Fire Protection Funds as the repayment source, supported by an ISO Class 3 rating and an annual base distribution of \$638,271. The Fire Department operates eight main stations and one administrative building, and the County will contribute \$600,000 toward the project. The State Fire Marshal has provided formal approval for the purchase.

Member Suazo moved, seconded by Member Nichols, for approval of item 7.2. The motion passed 10-0.

7.3 Carrizozo Municipal School District (Lincoln County). PPRF-7031. \$1,250,000. Facility Improvements. GOB. Carrizozo MSD is requesting financing through the PPRF for the first tranche of its voter-approved 2025 GOB authorization. NMFA will purchase \$1.25 million in bonds to support district-wide facility improvements identified in the District's 2021–2026 FMP. The District serves students from elementary through high school in the Carrizozo community and plans to use the proceeds for upgrades including improvements to the Career Technical Education building, athletic grounds and facilities, campus security fencing, construction of a maintenance building and yard, agricultural facility enhancements, and gymnasium improvements. Use of project funds also includes standard issuance costs.

Member Suazo moved, seconded by Member Lovato for approval of item 7.3. The motion passed 10-0.

7.4 City of Alamogordo (Otero County). PPRF-7033. \$12,865,000. GRT. The City is seeking PPRF financing for the construction of a new multi-use indoor natatorium to replace the aging outdoor pool at the Recreation Center. The proposed 19,957-square-foot aquatic center, estimated to cost \$16 million, will include an eight-lane, 25-yard pool and spaces for recreation and fitness, offering year-round access for families, seniors, and school swim programs. The City plans to contribute \$4 million from its LEDA fund and intends to reallocate its 0.125% Municipal Infrastructure GRT to support construction and ongoing maintenance. As a simultaneous closing, loan pricing will be subject to market conditions. Under the Portfolio Management Policy, CEO approval of a waiver is required prior to closing because the City is not currently in good standing due to the lateness of its FY24 and FY25 audits; however, internal review concluded the outstanding FY24 and FY25 audits present low risk.

Member Suazo moved, seconded by Member Nichols for approval of item 7.4. The motion passed 10-0.

- 8. Economic Development Committee.** *Committee members: Secretary Rob Black, Chair (Mr. Isaac Romero), Acting Secretary Erin Taylor (Mr. Ben Shelton), Ms. Teresa Costantinidis, Secretary Wayne Propst (Ms. Ashley Leach), and Mr. Ronald Lovato.*

8.1 Update on Activities. A quorum of the Economic Development Committee met on February 17, 2026, via Zoom. Member Isaac Romero chaired the meeting with members Ashley Leach, Ben Shelton, and Ron Lovato in attendance.

Staff presented two SSBCI 2.0. projects and two CCRLF applications, which the committee approved. Staff presented a request for extension of the B note for Urban Hospitality, a NMTC project. The committee recommends approval of the extension. Staff presented updates to the policies for both the Housing and Commercial programs of the Opportunity Enterprise program. Staff also presented a project revision for Sendero Alamo due to a proposed change in scope. The committee recommends approval of both the policy changes and the project revision. Staff presented the January 2026 Monthly Program report as an information item.

Informational Only.

8.2 Bubble Dreams Learning Center. CCRLF-7011. \$364,000. Bubble Dreams is developing a new childcare center. The borrower is requesting a \$364,000 loan from the CCFRLF to support the next phase of development. Loan proceeds will be used for essential interior and exterior components including classroom furnishings, educational materials, outdoor playground area, mechanical infrastructure, and interior construction. Maria Elena Granados, the founder and director, presented her business's expansion from a home-based care provider to a new facility, emphasizing bilingual education and community impact.

Member Suazo moved, seconded by Member Burke for approval of item 8.2. The motion passed 10-0.

8.3 Fundamentals Early Education Center, LLC CCRLF-7015. \$525,117. Staff is requesting revised approval of a previously authorized loan for a Development Center, originally approved on January 22, 2026. Rather than acquiring an adjacent building, the project has shifted to expanding and renovating the existing facility at 209 N. Auburn, Farmington, including foundational work, structural additions, and interior build-out for three infant/toddler classrooms and an after-school program—maintaining the goal of increasing licensed capacity by thirty children. The borrower has been updated to Jarred and Kristen Santesson, the property owners, and the revised financing structure will retire two existing loans through a larger NMFA loan paired with increased owner equity. The total project cost has increased to \$704,371, supported by a \$525,117 NMFA loan and \$179,254 in equity. With NMFA moving into a first-lien position and the loan-to-cost ratio reduced to 69%, the credit profile improves. Closing conditions remain the same but now apply solely to the existing property. Kristen Santessen provided additional comments about the project to the board.

Member Suazo moved, seconded by Member Leach for approval of item 8.3. The motion passed 10-0.

8.4 Pachamama Children's Adventure Camp. SSBCI-7053. \$695,800. Century Bank, on behalf of Pachamama Partners LLC, has applied to the SSBCI Loan Participation Program to support the purchase and improvement of two owner-occupied properties in Santa Fe at 935 and 943 Alto Street. Pachamama Partners LLC was formed by Sarah Daniels and Stephen Vierra to acquire the property currently leased and operated by Children's Adventure Company, Inc. ("CAC"), with both individuals and CAC serving as full guarantors. CAC will continue to occupy and lease the entire property from Pachamama Partners following acquisition. Century Bank has approved the loan, and NMFA will participate through the SSBCI program, sharing principal and interest payments proportionally. The structure consists of a 51% participation by Century Bank and a 49% participation by NMFA.

Member Suazo moved, seconded by Member Shelton for approval of item 8.4. The motion passed 10-0.

8.5 Independent Electrical Contractors of America Southern NM Chapter ("SNMIEC"). SSBC2-7055. \$657,294. Pioneer Bank, on behalf of SNMIEC, has applied to the SSBCI Loan Participation Program for financing to construct a new 8,447-square-foot owner-occupied office building. The facility will house SNMIEC's administrative offices, trades training center, conference space, and other operational functions. The organization purchased the 2.98-acre lot in 2023 and will contribute \$170,354 in equity before loan disbursement. Genesis Construction has been selected as the builder. Pioneer Bank has approved the financing structure, and NMFA will participate in the loan at up to 49% on a subordinate

basis, with both lenders sharing principal and interest payments proportionately according to their ownership share.

Member Suazo moved, seconded by Member Shelton for approval of item 8.5. The motion passed 10-0.

8.6 Urban Hospitality NM, LLC. NMTC-3816. Request for Extension of B Note and Adopting Resolution. Urban Hospitality is requesting an extension of its Exit Fee payment timeline associated with the unwind of its 2019 NMTC financing. The original project supported construction of a Marriott Springhill Suites in Albuquerque and was structured using a Direct Loan, an A Note, and a B Note within the NMTC program. With the compliance period now complete, the unwind requires a multi-day process involving the transfer of control of the Sub-CDE, dissolution of the entity, and final exercise of the put option. Urban Hospitality seeks additional time so the Exit Fee payment can align with refinancing of the Direct Loan and A Note, both maturing in July 2026. To facilitate the unwind and protect the Exit Fee due to Finance New Mexico, FNM-Service Co. will provide a new short-term loan of \$1,088,015 to Urban Hospitality, secured by a second deed of trust and existing guaranties, with a 4-month balloon maturity and a 6.75% interest rate. Proceeds will be used to fund the Exit Fee at the required point in the unwind structure. Urban Hospitality will bear associated legal costs.

General Counsel presented the resolution explaining that the NMFA, acting in its role as the manager of Finance New Mexico, LLC and Finance New Mexico-Service Company, LLC, is approving the use of some of the extra funds held by Finance New Mexico-Service Company, LLC to make a direct loan to Urban Hospitality NM, LLC. The resolution also authorizes NMFA to sign any documents needed for this loan and to take all other actions necessary to complete the transaction. In addition, the resolution formally approves and validates any actions previously taken that support this decision, and it cancels any earlier actions that conflict with the terms of this new resolution.

Member Suazo moved, seconded by Member Lovato for approval of the extension and the resolution. The motion passed 10-0.

8.7 Sendero Alamo, LLC. OEHD-6783. \$15,000,000. Staff are requesting revised approval of a previously authorized loan for Sendero Alamo, LLC, originally approved by the Board on June 26, 2025, to support the construction of 80 workforce-housing units in Alamogordo, NM. The revisions reflect a change in project scope and collateral structure. Instead of securing the loan with the full 13.265-acre development site, the updated proposal limits collateral to the 6.022-acre Phase 1 portion of the property. This adjustment reduces the total project cost from \$17.0 million to \$16.55 million while maintaining the approved \$15 million loan request. The revised structure improves the loan-to-value ratio from 88.1% to 73%. The development remains dedicated to workforce housing and service members, with a restrictive covenant ensuring the site will continue serving middle-income workers until the loan is fully repaid and for no less than ten years.

Member Suazo moved, seconded by Member Leach for approval of item 8.7. The motion passed 9-0.

8.8 Revised OERF - HD Loan Structuring Policy. Staff led a discussion on the proposed revisions to the OERF Loan Management Policy. Since implementation in August 2024, Staff have worked with a range of Affordable Infrastructure Housing Projects and Workforce Housing Projects. Across three rounds of applications, 21 projects have been prioritized by the OERB, with 11 approved by the Board and 10

declined based on underwriting. The variety of applications received has demonstrated the need to revise the Policy to address new types of housing development structures being proposed. In coordination with NMFA's Financial Advisor, PFM Financial Advisors, LLC, Staff are incorporating recommended changes to update and strengthen the Policy. Staff provided a redline of the Policy, going over clarification of definitions, loan structuring parameters clean up, and monitoring and reporting updates.

Member Suazo moved, seconded by Member Shelton for approval of item 8.8. The motion passed 9-0.

8.9 Revised OERF - CD Loan Structuring Policies. Staff provided an overview of the proposed revisions to the OERF Commercial Development Loan Management Policy. Since the program's implementation, Staff have worked with various Commercial Development projects, and the applications received have highlighted the need to revise the Policy to address different types of structures being proposed. In coordination with local developers, board members, and economic developers throughout the state, Staff provided a redline of the policy going over clarification of definitions, general considerations section, loan structuring parameters clean up, and monitoring and reporting updates.

Member Suazo moved, seconded by Member Leach for approval of item 8.9. The motion passed 9-0.

9. Finance and Disclosure Committee. *(Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Wayne Propst (Ms. Ashley Leach), Secretary James Kenney (Ms. Kelsey Rader/Mr. Dennis Romero), and Ms. Joy Esparsen (Mr. Richard Garcia).*

9.1 Update on Activities. A quorum of the Finance & Disclosure Committee met on February 18, 2026, via Zoom. Member Richard Garcia chaired the meeting with members Dennis Romero, Ashley Leach, and Alison Nichols in attendance.

Staff presented the January 2026 Investment Report and the Bond Issuance Forecast Report; these are informational items. Staff and disclosure counsel presented the Preliminary Official Statement (POS) for the Series 2026A Senior Lien Bonds and the Series 2026B Junior Lien Bonds; the committee recommends approval and authorization of the use of both POSs. Staff presented a new cost allocation method; this was an informational item. Staff presented a recommended award for the Information Technology Managed Service Provider and Network Operations Center for Consultadd Public Services; the committee recommends approval. Staff presented three procurement solicitation notifications for Investment Advisory Services, External Audit Services, and Assurance and Advisory Services; these were informational items.

Informational Only.

9.2 Overview of the PPRF Bond Program. NMFA staff presented the bond program outlining that issuing bonds, particularly tax-exempt bonds, carries significant costs for lawyers, advisors, underwriters, ratings, and compliance, with expenses continuing after the bond closing due to ongoing tax and disclosure requirements. Smaller governmental issuers often face higher barriers because they struggle to obtain strong credit ratings, making issuance more expensive. The NMFA brings market expertise that smaller or infrequent issuers lack, and borrowers benefit from the PPRF's lower interest rates and the avoidance of time-consuming and costly post-issuance disclosure obligations. The presentation highlights the PPRF's strong credit ratings (AAA from S&P and Aa1 from Moody's), substantial debt outstanding, and

the advantages borrowers receive, including access to disadvantaged funding loans and relief from paying issuance costs such as underwriter fees, rating agency fees, disclosure counsel, and trustee costs. The strength of the PPRF program is attributed to its diverse loan portfolio and conservative underwriting, with significant credit enhancement from the Governmental Gross Receipts Tax, of which approximately 75% flows to the PPRF each year, providing essential support to the program

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9.3 Disclosure Training for Municipal Bonds. Disclosure Counsel presented training for the Board explaining NMFA’s obligations to ensure that all disclosures related to bond issuance and other securities activities are accurate, complete, and compliant with applicable federal and state requirements. The Finance and Disclosure Committee is responsible for reviewing and confirming the accuracy of NMFA’s disclosures prior to each bond issuance, evaluating the effectiveness of disclosure policies and internal controls, and determining whether information known to committee members requires disclosure to the market. The Committee also coordinates training for NMFA staff and Board members regarding their obligations under federal securities laws. Disclosure Counsel, who advises NMFA on federal and state securities disclosure requirements, assists in preparing disclosure documents, and provides written legal advice regarding adequacy and compliance. These combined responsibilities ensure that NMFA maintains proper disclosure practices, fulfills continuing disclosure obligations, and adheres to federal securities regulatory expectations.

Informational Only.

9.4 Authorizing and Delegating Resolution for the Senior Lien PPRF Revenue Bonds, Series 2026A, POS, Senior General Indenture of Trust and Pledge, as Amended and Supplemented by the One Hundred and Thirteenth Supplemental Indenture of Trust & Related Documents. Disclosure Counsel presented the substantially final drafts of the POS for the Series 2026A Bonds and Series 2026B Bonds, prepared by Orrick Herrington & Sutcliffe, with assistance from NMFA staff and consultants. The Series 2026A Bonds are expected to be issued in an amount not to exceed \$29,195,000 and the Series 2026B Bonds in an amount not to exceed \$39,255,000, with proceeds to be used for originating or purchasing loans or securities for governmental entities and paying issuance costs.

The Board was asked to review the drafts—particularly sections relating to security and sources of payment, NMFA information, litigation, and economic and demographic data—to ensure accuracy and completeness in accordance with federal securities disclosure responsibilities. Staff requested approval of the POS for the Series 2026A Bonds and POS for the Series 2026B Bonds so they can be used in the marketing and sale of the Series 2026A Bonds.

Board members were reminded of their disclosure responsibilities under federal securities laws and were asked to carefully review the POS—particularly sections addressing security and sources of payment, NMFA information, litigation, and economic and demographic data—to identify any potential misstatements or omissions of material facts. Staff explained that this review requirement reflects SEC enforcement history emphasizing governing boards’ accountability for accuracy in official statements. Staff further summarized steps taken to enhance accuracy, including the use of disclosure counsel, elimination of advisor disclaimers, and collection of accuracy certificates from contributing agencies.

Staff requested that the Board approve the Series 2026A POS and the Series 2026B POS, in substantially the form presented, for use in the marketing and sale of the Bonds.

The Board was also presented with an Authorizing and Delegating Resolution for the Series 2026A Bonds (the “2026A Resolution”) and the Series 2026B Bonds (the “2026B Resolution”) directing staff and consultants to prepare for the issuance of the respective series of Bonds and delegating authority to designated NMFA officers to determine final terms of the Series 2026A Bonds and the Series 2026B Bonds within specified parameters. Staff requested that the Board approve the 2026A Resolution and the 2026B Resolution. Staff requested that the Board consider the POS and Resolution for each of the Series 2026A Bonds and the Series 2026B Bonds separately.

Member Burke moved, seconded by Member Lovato for approval of item 9.4 approving and authorizing the use of the POS for the Series 2026A Bonds and approving the 2026A Resolution. The motion passed 9-0.

9.5 Authorizing and Delegating Resolution for the Junior Lien PPRF Revenue Bonds, Series 2026B, POS, Junior Lien General Indenture of Trust and Pledge, as Amended and Supplemented by the First Supplemental Indenture of Trust & Related Documents.

Member Burke moved, seconded by Member Leach for approval of item 9.5 approving and authorizing the use of the POS for the Series 2026B Bonds and approving the 2026B Resolution. The motion passed 9-0.

10. Audit Committee Report. *Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Acting Secretary Erin Taylor (Mr. Ben Shelton), Ms. Joy Esparsen (Mr. Richard Garcia), and Ms. Teresa Costantinidis.*

10.1 Update on Activities. A quorum of the Audit Committee met February 18, 2026, via Zoom. Member Andrew Burke chaired the meeting with members Ben Shelton, Richard Garcia, and Teresa Costantinidis in attendance.

Staff presented the December 2025 financial statements which were approved. Staff introduced a proposed revision to the cost allocation methodology to better reflect programmatic activity rather than solely time-based allocation. This change, representing a significant accounting adjustment, will be considered for adoption next month and disclosed in the next annual financial report. This was presented as an information item.

Staff presented a new cost allocation methodology based on the pro rata share of total assets, grants, and due-to liabilities, noting that it represents a significant accounting change that will be disclosed in the next annual comprehensive financial report; the committee accepted staff’s new method beginning with the close of the third quarter.

Staff also provided an informational update on the single audit for the Drinking Water program, reporting that the exit conference had been completed and the audit submitted to the State Auditor’s Office, and noted that a new RFP for audit services for FY 2026 will be issued.

Informational Only.

10.2 Presentation of the Financial Statements and Performance Indicators for 2nd Quarter of FY 2026. Staff presented the Statement of Net Position, Statement of Revenues, Expenses and Changes in

Net Position, Statement of Cash Flows, Performance Reports, and Notes as of Second Quarter FY 2026 noting staff close the general ledger for the month in 31 days, missing our target of 30 days.

Member Shelton moved, seconded by Member Lovato for approval of item 10.2 The motion passed 9-0.

10.3 Cost Allocation Methodology. Staff presented a new method for allocating overhead and indirect costs to program funds, explaining that NMFA’s recent growth in scope, scale, and operational complexity requires replacing the current staff-time-based approach with a formula based on each program’s pro rata share of total assets, grant expenses, and due-to liabilities.

Staff noted that this represents a major change in accounting practice, will be disclosed in the next annual comprehensive financial report, and will be implemented beginning with the close of the third quarter, including retroactive restatement for FY 2026. The committee reviewed the proposed methodology and accepted staff’s plan to adopt and apply it going forward.

Informational Only.

- 12. **Next Board Meeting.** Thursday, March 26, 2026 9:00 a.m. – 12:00 p.m NMFA Board Room
- 13. **Adjournment.** The meeting adjourned at 11:47 a.m.

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Secretary 03 / 27 / 2026

Date