

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE MEMORIAL 40

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Howie C. Morales

A MEMORIAL

REQUESTING THE NEW MEXICO MORTGAGE FINANCE AUTHORITY TO CREATE
A TASK FORCE TO STUDY THE LIKELY EFFECTS OF LEGISLATION
INTENDED TO PROTECT LOW-INCOME HOMEBUYERS WHO ENTER INTO
SELLER-FINANCED CONTRACTS AND TO HELP AFFECTED COUNTIES TO
MANAGE THEIR LAND.

WHEREAS, many low-income New Mexicans seek for themselves
and their families the security of owning a home; and

WHEREAS, many of those people cannot secure conventional
mortgages because they lack sufficient assets and acceptable
credit histories; and

WHEREAS, often, they instead enter into seller-financed
contracts in order to buy homes; and

WHEREAS, there are not enough protections to ensure that a
homebuyer who enters into a seller-financed contract is fully

underscoring material = new
[bracketed material] = delete

1 informed of the terms of the sale, the description and
2 condition of the property and the buyer's contractual rights
3 and responsibilities; and

4 WHEREAS, the legal remedies available to those who have
5 been victims of injustice that results from entering into
6 seller-financed contracts are inadequate; and

7 WHEREAS, since the law does not sufficiently require that
8 seller-financed home sales be recorded with county clerks, many
9 counties cannot effectively manage their land development; and

10 WHEREAS, often, groupings of homes financed through
11 unregulated seller-financed contracts develop outside of
12 recognized, legal subdivisions and, therefore, lack safety- and
13 health-promoting infrastructure, such as roads and provisions
14 for water, electricity, natural gas and wastewater treatment;
15 and

16 WHEREAS, developing infrastructure after communities form
17 in situations like these is problematic because the unrecorded
18 transactions make property rights difficult to determine; and

19 WHEREAS, laws intended to protect these homebuyers and
20 counties should not hamper sellers who enter into ethically
21 sound seller-financed contracts; and

22 WHEREAS, the New Mexico mortgage finance authority is
23 responsible for ensuring that all New Mexicans have high-
24 quality, affordable housing opportunities;

25 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE

underscoring material = new
~~[bracketed material] = delete~~

1 OF NEW MEXICO that the New Mexico mortgage finance authority be
2 requested to create a task force to study the fiscal and social
3 implications of statutory requirements and remedies that would
4 help to protect low-income homebuyers who enter into seller-
5 financed contracts and help affected counties to manage their
6 land; and

7 BE IT FURTHER RESOLVED that the task force be composed
8 equally of low-income homebuyers who enter into seller-financed
9 contracts and their advocates, home sellers who enter into
10 seller-financed contracts and their advocates, representatives
11 of county governments and their advocates and representatives
12 of the consumer protection division of the office of the
13 attorney general; and

14 BE IT FURTHER RESOLVED that by November 2013, the New
15 Mexico mortgage finance authority report to the Mortgage
16 Finance Authority Act oversight committee the task force's
17 findings and recommendations; and

18 BE IT FURTHER RESOLVED that copies of this memorial be
19 transmitted to the New Mexico mortgage finance authority, the
20 Mortgage Finance Authority Act oversight committee, the
21 attorney general, the New Mexico real estate commission, the
22 public regulation commission and the governor.