STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

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New Mexico Finance Authority; State Revolving Funds/Pools

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New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$17.665 mil revolving fd rev bnds (Subordinate Lien Pub Proj) ser 2014A-2 due 06/15/2034		
Long Term Rating	AA+/Stable	New
US$15.4 mil revolving fd rev bnds (Subordinate Lien Pub Proj) ser 2014A-1 due 06/15/2033		
Long Term Rating	AA+/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AA+' rating to New Mexico Finance Authority's series 2014A-1 and A-2 subordinate-lien public project revolving fund (PPRF) bonds. At the same time, Standard & Poor's has affirmed its 'AAA' rating on the authority's existing senior-lien bonds and its 'AA+' rating on the existing subordinate-lien bonds.

The 'AAA' rating on the senior-lien bonds once again reflects our view of the combination of a very strong enterprise risk and an extremely strong financial risk profile scores, resulting from:

- A very strong market position;
- An extremely strong loss coverage score, partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in government gross receipt taxes (GGRT);
- A history or very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating assignment also reflects the application of available overrides given exceptionally low default and delinquency history and the ability for the program to withstand a level of defaults well above that needed to maintain the current loss coverage score.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in GGRTs to affect available pass-through revenues.

Authority officials will use the subordinate-lien bonds to provide funds to Santa Ana Pueblo for the expansion of a wastewater treatment plant and to reimburse the authority for funds advanced to the East Rio Arriva Soil and Water Conservation District.

The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include net system revenue pledges (33% of loan principal); municipal, state, and GGR taxes at 27%; general obligation ad valorem taxes (13%);

and miscellaneous local special taxes (12%).

The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund.

NMFA's enterprise risk profile

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflective of the status and management of the authority and the ongoing support provided by the state in terms of continuous disbursements of GGRTs. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The authority is composed of 11 members who serve as its governing body. An executive committee provides oversight and direction relating to the operations of the authority.

Outlook

The stable outlook reflects Standard & Poor's expectation for continued stable borrower credit quality and timely borrower repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term.

NMFA's Financial Risk Profile

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common reserve fund. Additionally, following the issuance of these bonds and reimbursement to the contingent liquidity account, the balance in that account will total approximately $26.5 million. While these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

There is currently about $788 million of senior-lien bonds outstanding, supported by almost $900 million of loan principal. There are more than 500 loans to about 185 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include Albuquerque-Bernalillo County Water Authority and certain departments of the state. There have been no defaults in the program's history. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. The authority is projecting annual receipts to remain stable at about $27.8 million. GGRT receipts have experienced only one decline in the past 15 years. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide coverage of annual senior-lien debt service of at least 1.5x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue is projected to provide 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, following this issuance there will be about $351 million of bonds outstanding supported by a similar amount of loan principal.

Regarding program management, we generally consider the policies in place to be adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report is reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Related Criteria And Research

Related Criteria

USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012

Ratings Detail (As Of May 8, 2014)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds ser 2013C-1 due 06/15/2028		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds ser 2013C-2 due 06/15/2029		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth state revolving fd		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

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New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$57.115 mil sr lien pub proj revolving fd rev bnds ser 2014B due 06/01/2035		
Long Term Rating	AAA/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AAA' rating to New Mexico Finance Authority's series 2014B senior-lien public project revolving fund (PPRF) bonds. At the same time, Standard & Poor's has affirmed its 'AAA' rating on the authority's senior-lien bonds outstanding and its 'AA+' rating on the authority's subordinate-lien bonds outstanding.

The 'AAA' rating continues to reflect our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score, partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in governmental gross receipt taxes (GGRTs);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating also reflects the application of available overrides given the authority's exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current loss coverage score.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in gross receipt taxes to affect available pass-through revenues. Authority officials intend to use proceeds from the bonds to fund a loan to Los Alamos County and to reimburse the PPRF for prior loans.

The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include net system revenue pledges (33% of loan principal); municipal, state, and GGRTs (27%); general obligation ad valorem taxes (13%); and miscellaneous local special taxes (12%).

The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund.

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflective of the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of GGRTs. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The authority is composed of 11 members who serve as its governing body. An executive committee provides oversight and direction relating to the authority's operations.

Outlook

The stable outlook reflects our expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term. Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in overcollateralization provided by gross receipts taxes, we would likely lower the ratings.

Financial Risk Profile

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common debt service reserve fund. Additionally, there is approximately $26.5 million in the authority's contingent liquidity account. Although these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

With this issuance, there will be about $725 million of senior-lien bonds outstanding, supported by almost $900 million of loan principal. There are more than 500 loans to about 185 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include Albuquerque-Bernalillo County Water Authority and certain state departments. There have been no defaults in the program's history. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. The authority is projecting annual receipts to remain stable at about $27.5 million. GGRT receipts have experienced only two declines in the past 16 years, the most recent being in the current year, but it was less than 0.6%. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide annual senior-lien debt service coverage of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide 1.0x subordinate-lien debt service coverage. At the subordinate-lien level, there is about $331 million of bonds outstanding supported by a similar amount of loan principal.

Program management policies in place are generally adequate to strong, in our opinion. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Related Criteria And Research

Related Criteria

USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012

Ratings Detail (As Of July 9, 2014)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth revolving fd rev bnds (Subordinate Lien Pub Proj) ser 2014A-1 due 06/15/2033		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth state revolving fd		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

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New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$60.275 mil subord lien pub proj revolving fd rev bnds ser 2015A due 06/15/2035		
Long Term Rating	AA+/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AA+' rating to New Mexico Finance Authority's series 2015A subordinate-lien public project revolving refunding fund bonds. At the same time, Standard & Poor's has affirmed its 'AAA' rating on the authority's senior-lien bonds outstanding and its 'AA+' rating on the authority's subordinate-lien bonds outstanding.

The 'AAA' rating on the senior-lien bonds continues to reflect our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score, partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in governmental gross receipt taxes (GGRT);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating assignment also reflects the application of available overrides, given exceptionally low default and delinquency history and the ability for the program to withstand a level of defaults well above that needed to maintain the current loss coverage score.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in GGRTs to affect available pass-through revenues. Authority officials intend to use proceeds from the 2015A bonds to refund a portion of the bonds outstanding.

The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include net system revenue pledges (33% of loan principal); municipal, state, and GGRT at 27%; general obligation ad valorem taxes (13%); and miscellaneous local special taxes (12%).

The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund.

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflective of the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of state GGRTs. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The authority is composed of 11 members who serve as the governing body. An executive committee provides oversight and direction relating to the authority's operations.

Outlook

The stable outlook reflect the expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term. Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in overcollateralization provided by GGRTs, we would likely lower the ratings.

NMFA's Financial Risk Profile

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common debt service reserve fund. Additionally, there is approximately $33.4 million in the authority's contingent liquidity account. While these funds are not technically pledged to support the bonds, these funds are restricted in use, available only for execution of new loans or to address delinquencies.

There is about $720 million of senior-lien bonds outstanding, supported by almost $900 million of loan principal. There are more than 500 loans to about 185 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include Albuquerque-Bernalillo County Water Authority and certain state departments. There have been no defaults in the history of the program. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. The authority is projecting annual receipts to remain stable at about $27.3 million. GGRT receipts have experienced only two declines in the past 16 years, the most recent being in the current year, but the decline was less than 0.6%. Under a no-default scenario, these revenues are passed through the public project revolving fund program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide coverage of annual senior-lien debt service of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, there is about $331 million of bonds outstanding supported by a similar amount of loan principal.

Regarding program management, the policies in place are generally considered adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed on an annual basis. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Related Criteria And Research

Related Criteria

USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012

Ratings Detail (As Of February 9, 2015)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth revolving fd rev bnds (Subordinate Lien Pub Proj) ser 2014A-1 due 06/15/2033		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth state revolving fd		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

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New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$45.76 mil sr lien proj st revolv fd rev bnds ser 2015B due 06/01/2045		
Long Term Rating	AAA/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AAA' rating to New Mexico Finance Authority's series 2015B senior-lien public project revolving fund (PPRF) revenue bonds. At the same time, Standard & Poor's has affirmed its 'AAA' rating on the authority's outstanding senior-lien bonds and its 'AA+' rating on the authority's outstanding subordinate-lien bonds.

The 'AAA' rating on the senior-lien bonds continues to reflect our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score, partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in government gross receipt taxes (GGRT);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating assignment also reflects the application of available overrides given exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current loss coverage score. Because we view securitizations backed by pools of public-sector assets as highly sensitive to country risk, the rating on the securitization is capped at two notches above the sovereign. However, no specific sovereign default stress is applied, given the U.S. sovereign rating is 'AA+'.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in gross receipt taxes to affect available pass-through revenues.

Authority officials intend to use proceeds from the 2015B bonds to reimburse the PPRF for previously executed loans. The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include municipal, state, and GGRT at 31% of loan principal; net system revenue pledges (24%); general obligation ad valorem taxes (16%); and miscellaneous local special taxes (13%).

The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund.

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflective of the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of state gross receipts taxes. The authority was established by the State of New Mexico Legislature in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. It is composed of 11 members who serve as its governing body. An executive committee provides oversight and direction relating to the authority's operations.

Outlook

The stable outlooks reflect our expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term. Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in overcollateralization provided by GGRTs, we would likely lower the ratings.

Financial Risk Profile

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common debt service reserve fund, with a current balance of $30.3 million. Additionally, there is about $33.5 million in the authority's contingent liquidity account. While these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

There are about $690 million of senior-lien bonds outstanding, supported by almost $863 million of loan principal. There are more than 550 loans to 187 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include Albuquerque-Bernalillo County Water Authority and certain departments of the state. There have been no defaults in the program's history. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. The authority is projecting annual receipts to remain stable at about $26.9 million. GGRT receipts have declined only three times in the past 16 years; however, each of the last two years has experienced slight declines. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide coverage of annual senior-lien debt service of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, there is about $298 million of bonds outstanding.

We consider program management policies as generally adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Related Criteria And Research

Related Criteria

- USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, Sept. 19, 2014

Ratings Detail (As Of May 11, 2015)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth revolving fd rev bnds (Subordinate Lien Pub Proj) ser 2014A-1 due 06/15/2033		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth state revolving fd		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

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Credit Profile		
US$54.195 mil sr lien pub proj revolving fd rev bnds ser 2015C due 06/01/2035		
Long Term Rating	AAA/Stable	New
US$30.745 mil subord lien pub proj revolving fd rev bnds ser 2015D due 06/15/2027		
Long Term Rating	AA+/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AAA' rating to New Mexico Finance Authority's series 2015C senior-lien public project revolving fund (PPRF) revenue bonds, and its 'AA+' rating to the authority's subordinate-lien PPRF revenue bonds. At the same time, Standard & Poor's has affirmed its 'AAA' rating on the authority's previously issued senior-lien bonds and its 'AA+' rating on the authority's previously issued subordinate-lien bonds. The outlook is stable.

The 'AAA' rating on the senior-lien bonds continues to reflect our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position,
- An extremely strong loss coverage score, partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in governmental gross receipt taxes (GGRT),
- A history of very low delinquency rates and no defaults, and
- Generally strong financial policies and practices.

The 'AAA' rating assignment also reflects the application of available overrides given exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current loss coverage score. Because we view securitizations backed by pools of public-sector assets as highly sensitive to country risk, the rating on the securitization is capped at two notches above the sovereign. However, no specific sovereign default stress is applied, given the U.S. sovereign rating is 'AA+'.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in GGRT to affect available pass-through revenues.

Authority officials intend to use bond proceeds to reimburse the PPRF for previously executed loans, and to make new loans, including a relatively large loan to the Jicarilla Apache Nation. The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include municipal and state taxes, and GGRT at 30% of loan principal; net system revenue pledges (25%), general obligation ad valorem taxes (16%); and miscellaneous local special taxes (13%).

The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund.

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflective of the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of state GRT. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The finance authority is composed of 11 members who serve as the governing body of the finance authority. An executive committee provides oversight and direction relating to the operations of the finance authority.

Outlook

The stable outlooks reflect the expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term. Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in overcollateralization provided by GGRTs, we would likely lower the ratings.

Financial Risk Profile

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common debt service reserve fund, with a current balance of $30.3 million. Additionally, there is about $33.5 million in the authority's contingent liquidity account. Although these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

With this issuance, there will be approximately $778 million of senior-lien bonds outstanding, supported by about $916 million of loan principal. There are more than 550 loans to about 190 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include Albuquerque-Bernalillo County Water Authority and certain state departments. There have been no defaults in the program's history. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. The authority is projecting annual receipts to remain stable at about $26.5 million. GGRT revenues have only experienced three declines in the past 16 years; however, each of the last two years has experienced slight declines. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide coverage of annual senior-lien debt service of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, following the issuance of the series 2015D bonds, there will be about $313 million of bonds outstanding, supported by $392 million of loan principal outstanding through 129 loan agreements.

Regarding program management, the policies in place are generally considered adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed on an annual basis. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Related Criteria And Research

Related Criteria

- USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, Sept. 19, 2014

Ratings Detail (As Of July 7, 2015)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth revolving fd rev bnds (Subordinate Lien Pub Proj) ser 2014A-1 due 06/15/2033		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth state revolving fd		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Ratings Detail (As Of July 7, 2015) (cont.)

Many issues are enhanced by bond insurance.

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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Primary Credit Analyst:
James M Breeding, Dallas (1) 214-871-1407; james.breeding@standardandpoors.com

Secondary Contact:
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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$53.42 mil revolving fund rev bnds (Senior Lien Pub Proj) ser 2016A due 06/01/2039		
Long Term Rating	AAA/Stable	New
US$10.18 mil revolving fund rev bnds (Subordinate Lien Pub Proj) ser 2016B due 06/15/2021		
Long Term Rating	AA+/Stable	New

Rationale

Standard & Poor's Ratings Services has assigned its 'AAA' rating to New Mexico Finance Authority's series 2016A senior-lien public project revolving fund (PPRF) revenue bonds, and its 'AA+' rating to the authority's series 2016B subordinate-lien PPRF revenue bonds. At the same time, Standard & Poor's has affirmed its 'AAA' rating on the authority's outstanding senior-lien bonds and its 'AA+' rating on the authority's outstanding subordinate-lien bonds.

The 'AAA' rating on the senior-lien bonds continues to reflect our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score, partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in government gross receipt taxes (GGRT);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating also reflects the application of available overrides given exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current loss coverage score. Because we view securitizations backed by pools of public-sector assets as highly sensitive to country risk, the rating on the securitization is capped at two notches above the sovereign. However, no specific sovereign default stress is applied, given the U.S. sovereign rating is 'AA+'.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in gross receipt taxes to affect available pass-through revenues.

Authority officials intend to use proceeds from the bonds to reimburse the PPRF for previously executed loans. The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include municipal, state, and GGRT at 30% of loan principal; net system revenue pledges (25%), general obligation ad valorem taxes (15%); and miscellaneous local special taxes (14%).

The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund.

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflective of the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of state gross receipts taxes. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The authority is composed of 11 members who serve as the governing body. An executive committee provides oversight and direction relating to the authority's operations.

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common debt service reserve fund, with a current balance of $30.3 million. Additionally, there is about $30.3 million available in the authority's contingent liquidity account. Although these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

Currently, there is approximately $754 million of senior-lien bonds outstanding, supported by about $904 million of loan principal. There are about 550 loans to about 190 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include Albuquerque-Bernalillo County Water Authority and certain departments of the state. There have been no defaults in the history of the program. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. Authority management routinely projects annual receipts to remain stable. GGRTs have experienced only three declines in the past 17 years; however, in two of the last three years they declined slightly. Based on the last 12 months of actual receipts, GGRT collections for 2016 would reflect a 3.4% growth rate to about $27.4 million. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide annual senior-lien debt service coverage of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, there is about $289 million of bonds outstanding, supported by $364 million of loan principal outstanding through approximately 125 loan agreements.

Program management policies are generally considered adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Outlook

The stable outlook reflects our expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term. Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in overcollateralization provided by GGRTx, we would likely lower the ratings.

Related Criteria And Research

Related Criteria

- USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, Sept. 19, 2014

Ratings Detail (As Of January 13, 2016)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth SRFPOOL		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth state revolving fd		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Primary Credit Analyst:
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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$69.075 mil revolving fund rev and rfdg bnds (Senior Lien Pub Proj) ser 2016C due 06/01/2046		
Long Term Rating	AAA/Stable	New

Rationale

Standard & Poor's Ratings Services has assigned its 'AAA' rating to New Mexico Finance Authority's series 2016C senior-lien public project revolving fund (PPRF) revenue bonds. At the same time, Standard & Poor's has affirmed its 'AAA' rating on the authority's outstanding senior-lien bonds and its 'AA+' rating on the authority's outstanding subordinate-lien bonds.

The 'AAA' rating on the senior-lien bonds continues to reflect our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score, partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in government gross receipt taxes (GGRT);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating also reflects the application of available overrides given exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current loss coverage score. Because we view securitizations backed by pools of public-sector assets as highly sensitive to country risk, the rating on the securitization is capped at two notches above the sovereign. However, no specific sovereign default stress is applied, given the U.S. sovereign rating is 'AA+'.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in GGRT to affect available pass-through revenues.

Authority officials intend to use proceeds from the bonds to execute new loans, specifically for the Sierra Vista hospital project, and to refund prior loans. The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include municipal, state, and GGRT at 30% of loan principal; net system revenue pledges (25%), general obligation ad valorem taxes (15%); and miscellaneous local special taxes (14%). The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund.

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflective of the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of state gross receipts taxes. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The authority is composed of 11 members who serve as the governing body. An executive committee provides oversight and direction relating to the authority's operations.

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common debt service reserve fund, with a current balance of $30.3 million. Additionally, there is another $30.3 million available in the authority's contingent liquidity account. Although these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

Currently, there is approximately $750 million of senior-lien bonds outstanding, supported by about $904 million of loan principal. There are about 550 loans to about 190 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include Albuquerque-Bernalillo County Water Authority and certain departments of the state. There have been no defaults in the history of the program. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. Authority management routinely projects annual receipts to remain stable. GGRTs have experienced only three declines in the past 17 years; however, in two of the last three years they declined slightly. Based on the last 12 months of actual receipts, GGRT collections for 2016 would reflect a 3.4% growth rate to about $27.4 million. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide annual senior-lien debt service coverage of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, there is about $290 million of bonds outstanding, supported by $360 million of loan principal outstanding through approximately 125 loan agreements. Program management policies are generally considered adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Outlook

The stable outlook reflects our expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term.

Downside scenario

Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in overcollateralization provided by GGRT, we would likely lower the ratings.

Related Criteria And Research

Related Criteria

- USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, May 29, 2015

Ratings Detail (As Of April 11, 2016)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth SRFPOOL		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria.

Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

S&P Global
Ratings

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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$120.295 mil sr lien pub proj revolving fnd rev bnds ser 2016D due 06/01/2046		
Long Term Rating	AAA/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

S&P Global Ratings has assigned its 'AAA' rating to the New Mexico Finance Authority's series 2016D senior-lien public project revolving fund (PPRF) revenue bonds. At the same time, we affirmed our 'AAA' rating on the authority's outstanding senior-lien bonds and our 'AA+' rating on its outstanding subordinate-lien bonds. The outlook is stable.

The 'AAA' rating on the senior-lien bonds continues to reflect our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score (LCS), partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in government gross receipt taxes (GGRT);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating also reflects the application of available overrides given exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current LCS. Because we view securitizations backed by pools of public-sector assets as highly sensitive to country risk, the rating on the securitization is capped at two notches above the sovereign. However, no specific sovereign default stress is applied, given the U.S. sovereign rating is 'AA+'.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in GGRT to affect available pass-through revenues.

Authority officials intend to use proceeds from the bonds to execute new loans, specifically for the cities of Rio Rancho and Santa Fe, and to reimburse the PPRF for a previously issued refunding loan. The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include municipal, state, and GGRT at 33% of loan principal; net system revenue pledges (26%); general obligation ad valorem taxes (17%); and miscellaneous local special taxes (10%).

The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund (DSRF).

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflecting the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of state GGRT. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. TIt is composed of 11 members, who serve as the governing body. An executive committee provides oversight and direction relating to the authority's operations.

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common DSRF, with a current balance of $30.4 million. Additionally, there is another $30.4 million available in the authority's contingent liquidity account. Although these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

Currently, there is approximately $750 million of senior-lien bonds outstanding, supported by about $904 million of loan principal. There are about 550 loans to about 190 different borrowers supporting the senior-lien bonds. The leading borrowers in terms of loan amount outstanding include Albuquerque-Bernalillo County Water Authority and certain departments of the state. There have been no defaults in the history of the program. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. Authority management routinely projects annual receipts to remain stable. GGRTs have experienced only three declines in the past 17 years; however, in two of the last three years, they declined slightly. Based on the last 12 months of actual receipts, GGRT collections for 2016 would reflect a 4.4% growth rate to about $27.6 million. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide annual senior-lien debt service coverage of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, there is about $290 million of bonds outstanding, supported by $360 million of loan principal outstanding through approximately 125 loan agreements. Program management policies are generally considered adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Outlook

The stable outlook reflects our expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profiles scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term.

Downside scenario

Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in over-collateralization provided by GGRT, we would likely lower the ratings.

Related Criteria And Research

Related Criteria

- USPF Criteria: U.S. Public Finance Long-Term Municipal Pools, March 19, 2012
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, May 29, 2015
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Ratings Detail (As Of June 14, 2016)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth SRFPOOL		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

S&P Global
Ratings

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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Primary Credit Analyst:
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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$40.315 mil sr lien pub proj revolving fd rev and rfdg bnds ser 2016E due 06/01/2029		
Long Term Rating	AAA/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

S&P Global Ratings has assigned its 'AAA' rating to the New Mexico Finance Authority's series 2016E senior-lien public project revolving fund (PPRF) revenue bonds. At the same time, we affirmed our 'AAA' rating on the authority's outstanding senior-lien bonds and our 'AA+' rating on its outstanding subordinate-lien bonds. The outlook is stable.

The 'AAA' rating on the senior-lien bonds reflects our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score (LCS), partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in government gross receipt taxes (GGRT);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating also reflects the application of available overrides given exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current LCS. Because we view securitizations backed by pools of public-sector assets as highly sensitive to country risk, the rating on the securitization is capped at two notches above the sovereign. However, no specific sovereign default stress is applied, given the U.S. sovereign rating is 'AA+'.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in GGRT to affect available pass-through revenues.

Authority officials intend to use proceeds from the bonds to refund outstanding 2006B bonds and to reimburse the PPRF for previously executed loans. The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include municipal, state, and GGRT at 33% of loan principal; net system revenue pledges (25%), general obligation (GO) ad valorem taxes (17%); and miscellaneous local special taxes (10%). The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund (DSRF).

The very strong enterprise risk score is the result of a low industry risk score, which is the characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflecting the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of state GGRT. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The authority is composed of 11 members, who serve as the governing body. An executive committee provides oversight and direction relating to the authority's operations.

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common DSRF, with a current balance of $30.4 million. Additionally, there is another $30.4 million available in the authority's contingent liquidity account. Although these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

Currently, there are approximately $750 million of senior-lien bonds outstanding, supported by about $904 million of loan principal. There are about 550 loans to about 190 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include the Albuquerque-Bernalillo County Water Authority and certain departments of the state. There have been no defaults in the history of the program. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. Authority management routinely projects annual receipts will remain stable. GGRTs have experienced only three declines in the past 17 years; however, in two of the last three years, they declined slightly. Based on the last 12 months of actual receipts, GGRT collections for 2016 would reflect a 6.4% growth rate to about $28.1 million. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide annual senior-lien debt service coverage of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, there are about $290 million of bonds outstanding, supported by $360 million of loan principal outstanding through approximately 125 loan agreements. Program management policies are generally considered adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Outlook

The stable outlook reflects our expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profile scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term.

Downside scenario

Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in overcollateralization provided by GGRT, we would likely lower the ratings.

Ratings Detail (As Of August 30, 2016)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth SRFPOOL		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
Many issues are enhanced by bond insurance.		

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

S&P Global Ratings

RatingsDirect®

Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

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Summary:

New Mexico Finance Authority; State Revolving Funds/Pools

Credit Profile		
US$39.365 mil sr lien pub proj revolving fund rev bnds ser 2016F due 06/01/2041		
Long Term Rating	AAA/Stable	New
New Mexico Fin Auth sr lien pub proj revolv fd ser 2000B		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Rationale

S&P Global Ratings has assigned its 'AAA' rating to the New Mexico Finance Authority's series 2016F senior-lien public project revolving fund (PPRF) revenue bonds. At the same time, we affirmed our 'AAA' rating on the authority's outstanding senior-lien bonds and our 'AA+' rating on its outstanding subordinate-lien bonds. The outlook is stable.

The 'AAA' rating on the senior-lien bonds reflects our view of the combination of a very strong enterprise risk profile score and an extremely strong financial risk profile score, resulting from:

- A very strong market position;
- An extremely strong loss coverage score (LCS), partially offset by the high degree of concentration in the program as a whole, but bolstered by a history of positive growth in government gross receipt taxes (GGRT);
- A history of very low delinquency rates and no defaults; and
- Generally strong financial policies and practices.

The 'AAA' rating also reflects the application of available overrides given exceptionally low default and delinquency history and the program's ability to withstand a level of defaults well above that needed to maintain the current LCS. Because we view securitizations backed by pools of public-sector assets as highly sensitive to country risk, the rating on the securitization is capped at two notches above the sovereign. However, no specific sovereign default stress is applied, given the U.S. sovereign rating is 'AA+'.

The 'AA+' rating on the subordinate-lien bonds reflects many of the same credit strengths associated with the senior-lien bonds. However, differentiating credit factors include the lack of a pledged reserve fund for the subordinate-lien bonds and the ability for the defaults, delinquencies, or changes in GGRT to affect available pass-through revenues.

Authority officials intend to use proceeds from the bonds to refund outstanding 2006B bonds and to reimburse the PPRF for previously executed loans. The senior-lien bonds are secured by trust estate revenues (including the authority's 75% portion of statewide GGRT collections) and aggregate payments under borrower loan agreements. These primarily include municipal, state, and GGRT at 33% of loan principal; net system revenue pledges (25%), general obligation (GO) ad valorem taxes (17%); and miscellaneous local special taxes (10%). The subordinate-lien bonds have a subordinate pledge of the trust estate revenues, plus specific borrower loan payments related to the subordinate-lien bonds. The subordinate-lien bonds do not have access to the common debt service reserve fund (DSRF).

The very strong enterprise risk score is the result of a low industry risk score, which is characteristic of all public finance long-term municipal pool programs, and a very strong market position, reflecting the enabling legislation that created the authority and the current management structure, along with ongoing support provided by the state through the ongoing disbursements of its GGRT. The authority was established by the legislature of the State of New Mexico in 1992 and is a governmental instrumentality separate and apart from the state created to coordinate the planning and financing of state and local public projects. The authority is composed of 11 members, who serve as the governing body. An executive committee provides oversight and direction relating to the authority's operations.

The extremely strong financial risk profile results from the program's ability to absorb a very high level of defaults. This is due to a combination of ongoing GGRT revenue and the availability of funds in the common DSRF, with a current balance of $30.5 million. Additionally, there is another $30.4 million available in the authority's contingent liquidity account. Although these funds are not technically pledged to support the bonds, they are restricted in use, available only for execution of new loans or to address delinquencies.

Currently, there are approximately $750 million of senior-lien bonds outstanding, supported by about $904 million of loan principal. There are about 550 loans to about 190 different borrowers supporting the senior-lien bonds. The leading borrowers, in terms of loan amount outstanding, include the city of Santa Fe and certain departments of the state. There have been no defaults in the history of the program. In addition to loan repayments, there is also a steady stream of GGRT revenues supporting the bonds. Authority management routinely projects annual receipts will remain stable. GGRTs have experienced only three declines in the past 17 years; however, in two of the last three years, they declined slightly. Based on the last 12 months of actual receipts, GGRT collections for 2016 would reflect a 6.4% growth rate to about $28.1 million. Under a no-default scenario, these revenues are passed through the PPRF program for other authority programs. As a further enhancement, about 60% of the loan payments are subject to an intercept of state funds.

Loan revenues plus GGRT revenues are projected to provide annual senior-lien debt service coverage of at least 1.4x. The excess coverage is then available to cover subordinate-lien debt service, though annual subordinate-lien loan revenue alone is projected to provide just over 1.0x coverage of subordinate-lien debt service. At the subordinate-lien level, there are about $290 million of bonds outstanding, supported by $360 million of loan principal outstanding through approximately 125 loan agreements. Program management policies are generally considered adequate to strong. There are formal loan application guidelines, with an evaluation of credit risks undertaken. Borrowers are required to submit annual financial statements, though not every financial report may be reviewed annually. To guard against any timing concerns, loan payments are received monthly. Additionally, there are approved investment guidelines that match the state's investment policies.

Outlook

The stable outlook reflects our expectation for continued stable borrower credit quality and timely borrower loan repayment, coupled with steady GGRT revenues. Neither the enterprise risk nor the financial risk profile scores are likely to change given the stability of revenues; therefore, we do not anticipate any negative rating action in the short or medium term.

Downside scenario

Should there be a significant change in the credit quality of the borrower portfolio, a sudden spike in loan defaults, or a sizable reduction in over-collateralization provided by GGRT, we would likely lower the ratings.

Ratings Detail (As Of October 25, 2016)		
New Mexico Fin Auth state revolv/fds pool		
Long Term Rating	AAA/Stable	Affirmed
New Mexico Fin Auth st revolv/fds pool		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth subord lien pub proj revolv fd rev bnds		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth SRFPOOL		
Long Term Rating	AA+/Stable	Affirmed
New Mexico Fin Auth pub proj revolving fd rev bnds		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
New Mexico Fin Auth sub lien		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
New Mexico Fin Auth sr lien		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.