STATE OF NEW YORK

4098

2025-2026 Regular Sessions

IN ASSEMBLY

January 31, 2025

Introduced by M. of A. CUNNINGHAM -- read once and referred to the Committee on Housing

AN ACT to amend the public authorities law, in relation to establishing the first-generation homebuyer assistance program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public authorities law is amended by adding a new section 2428-b to read as follows:

§ 2428-b. First-generation homebuyer assistance program. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "down payment assistance" or "assistance" means financial assistance for first-generation homebuyers to acquire single-family housing for their principal residence through the loan program;

(b) "first-generation homebuyer" means a first-time homebuyer, who is:

(i) an individual:

(1) whose parents or legal guardians do not have any present ownership interest in any residential real property in any state or territory of the United States, or outside of the United States; and

(2) whose spouse, or domestic partner, and each member of whose household has not, during the three year period ending upon acquisition of the eligible home to be acquired using such assistance, had any present ownership interest in any residential real property used as their principal residence in any state or territory of the United States, or outside of the United States; or

(ii) an individual who has at any time been placed in foster care in the state;

(c) "first-time homebuyer" means a homebuyer who, in accordance with rules and regulations adopted by the agency, has not owned any residential real property as their principal residence within the preceding three years, and is utilizing a mortgage product offered by the agency

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD06544-01-5

through an agency homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by the agency;

(d) "principal residence" means a homestead that is actually and continually occupied as the permanent residence of a household, as distinguished from a vacation home, real property owned and rented or offered for rent by the household, or other secondary real property holdings; and

(e) "single-family housing" means a one- to four-family residence, a condominium unit, a cooperative unit, a combination of a manufactured housing and lot, or a manufactured housing lot.

2. (a) There is established in the agency a zero-interest, forgivable loan program to provide down payment assistance for first-generation homebuyers to achieve homeownership. The loan program shall provide down payment assistance to defray the costs associated with acquiring single-family housing for a principal residence, as provided for in paragraph (b) of this subdivision. A first-generation homebuyer shall commit to use the home as their principal residence for five years following the purchase of the home. The agency shall forgive the loan, provided that the five-year commitment is satisfied and the first-generation homebuyer meets the other requirements established pursuant to this section.

(b) (i) The down payment assistance provided pursuant to this section shall be in the form of a zero-interest, forgivable loan award. The loan award shall be in the amount of up to fifteen thousand dollars.

(ii) Each first-generation homebuyer who receives down payment assistance through the loan program shall, prior to the award of down payment assistance, complete not less than eight hours of a homebuyer counseling course, as directed by the agency. The homebuyer counseling course shall include, but not be limited to, coursework concerning:

(1) the maintenance of housing costs, including methods for budgeting mortgage payments, utility charges, property taxes, and any other applicable housing cost;

(2) the basics of home finance, property taxes, home warranties, and home inspection;

(3) the legal components of finalizing a home purchase; and

(4) the process of finding an appropriate house, including how to search real estate listings through a real estate agent or other sources.

(c) The agency shall promulgate rules and regulations to effectuate, administer, and accomplish the purposes of the loan program. The rules and regulations shall, at a minimum, set forth the requirements for application submissions, the criteria for application selections, the eligible uses of down payment assistance, eligibility as a first-generation homebuyer, and the curriculum and provision of the homebuyer counseling course.

(d) The agency shall permit an individual to establish eligibility for the loan program as a first-generation homebuyer via self-attestation, under penalty of perjury. However, nothing in this paragraph shall preclude the agency from establishing measures to identify and deter fraudulent attestations. If it is established that an individual has received assistance as a result of a fraudulent attestation, the individual shall reimburse the agency for the assistance.

(e) A down payment assistance loan shall be recoverable as a lien on the real property that the loan is used to purchase, and shall have the priority of a mortgage lien.

(f) No later than two years following the effective date of this section, the agency shall prepare and submit a report to the governor, the temporary president of the senate and the speaker of the assembly. The report shall analyze the efficacy of the loan program. The report shall provide an overview of the total amount of down payment assistance provided by the agency, with information by census tract on the race and ethnicity of the recipients of assistance. The report also shall analyze:

(i) the impact of the down payment assistance on the total housing costs of the recipients of such assistance;

(ii) the impact of the loan program, on first-generation homeownership; and

(iii) any other information determined by the agency to be relevant to the costs and benefits of the loan program.

§ 2. This act shall take effect immediately.