

# STATE OF NEW YORK

5790

2025-2026 Regular Sessions

## IN SENATE

March 3, 2025

Introduced by Sen. SEPULVEDA -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to establishing the "New York student loan assistance and home purchase act"

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

1 Section 1. This act shall be known and may be cited as the "New York  
2 student loan assistance and home purchase act".

3 § 2. The public authorities law is amended by adding a new section  
4 2405-g to read as follows:

5 § 2405-g. Student loan assistance and home purchase program. 1. Defi-  
6 nitions. For the purposes of this section, the following terms shall  
7 have the following meanings:

8 (a) "Program" means the student loan assistance and home purchase  
9 program established pursuant to subdivision two of this section.

10 (b) "Student loan" means any loan to a borrower to finance post-second-  
11 ary education or expenses related to post-secondary education. For the  
12 purposes of this section, the term "student loan" shall not be limited  
13 to loans, as such term is defined by subdivision ten of section twenty-  
14 four hundred two of this part.

15 2. Program established. The agency shall establish a "student loan  
16 assistance and home purchase program", to be administered by the agency,  
17 for the purposes of facilitating the purchase of homes by individuals  
18 who are burdened by student debt, by providing financing opportunities  
19 pursuant to subdivision three of this section. The chair of the agency  
20 shall appoint a director of the program to oversee the implementation of  
21 the program.

22 3. Student loan assistance and home purchase program; implementation.

23 (a) The program shall assist individuals who apply and are accepted to  
24 the program pursuant to paragraph (b) of this subdivision, by consol-

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

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1 idating all or a portion of such individuals' student loans into such  
2 individuals' mortgages. The program shall be authorized to purchase  
3 mortgages, existing mortgages, and student loans from banks as needed to  
4 effectuate the provisions of this section. There shall be no limit to  
5 the amount of student loan debt that may be incorporated into a mortgage  
6 or existing mortgage pursuant to this section, unless otherwise provided  
7 by state or federal law.

8 (b) The program shall establish an application process whereby  
9 prospective homeowners who are residents of the state with student debt,  
10 may apply to the program for consolidation of such residents' student  
11 debt with a mortgage or existing mortgage. In considering an applicant  
12 to the program, the program shall not consider foreclosure status, home  
13 cleanliness, or whether the home will be such applicant's first home.

14 (c) Individuals who are accepted to the program pursuant to this  
15 section shall be required to maintain the purchased home as their prima-  
16 ry residence for no less than five years from the date of closing. The  
17 commissioner of housing and community renewal shall establish penalties  
18 and fees applicable for violations of this paragraph.

19 (d) The program shall comply with all applicable federal laws and  
20 regulations.

21 4. Rules and regulations. The commissioner of housing and community  
22 renewal shall promulgate any rules and regulations necessary for the  
23 establishment and implementation of the program under this section.  
24 Further, the commissioner of housing and community renewal shall promul-  
25 gate rules and regulations establishing:

26 (a) eligibility requirements for acceptance of individuals who apply  
27 to the program; and

28 (b) interest rates and other penalties, charges, and fees in an amount  
29 necessary to implement the program.

30 § 3. This act shall take effect on the one hundred eightieth day after  
31 it shall have become a law. Effective immediately, the addition, amend-  
32 ment and/or repeal of any rule or regulation necessary for the implemen-  
33 tation of this act on its effective date are authorized to be made and  
34 completed on or before such effective date.