

# STATE OF NEW YORK

7663

## IN SENATE

February 5, 2018

Introduced by Sen. ALCANTARA -- 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 American homebuyer assistance program within the state of New York mortgage agency

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

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

3 § 2428-b. New American homebuyer assistance program. 1. Establish-  
4 ment. The agency is hereby authorized and directed to create, manage,  
5 and maintain the "new American homebuyer assistance program". The agen-  
6 cy shall make such rules and regulations as necessary to implement the  
7 new American homebuyer assistance program. The purpose of the program  
8 is to provide homebuyer assistance to eligible homebuyers purchasing  
9 their first residence by imposing flexible documentation guidelines that  
10 take into account foreign documentation of income and assets.

11 2. Definitions. For purposes of this section:

12 (a) "Residence" means a single-family home, a one to four family home,  
13 a condominium housing unit or a housing unit owned by a cooperative  
14 housing corporation, that is located within the state.

15 (b) "Eligible homebuyer" means any person who (a) has not had any  
16 ownership interest in his or her primary residence that is located with-  
17 in the United States at any time during the three years prior to the  
18 date of making an application for an agency mortgage loan; (b) is  
19 currently an alien admitted to the United States as a lawful permanent  
20 resident within the past ten years and; (c) at the time of making the  
21 loan application to the agency, does not own a vacation or investment  
22 home whether such vacation or investment home is owned in the United  
23 States or abroad. This includes a spouse or a single parent who has only  
24 owned with a former spouse while married.

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

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1 3. Program features and requirements. The agency shall create and  
2 implement the new American homebuyer assistance program subject to the  
3 following features and requirements:

4 (a) flexible documentation requirements that take into account foreign  
5 documentation of income and assets;

6 (b) household income eligibility income limits up to one hundred thir-  
7 ty percent of area median income;

8 (c) debt to income calculations that include the borrower's actual  
9 student loan payments regardless of whether the payments will fully  
10 amortize the loan, regardless of whether the borrower is on an income-  
11 based or standard repayment plan;

12 (d) student loan payments calculated at the average monthly payment  
13 amount made by the borrower during the preceding twelve months, or the  
14 borrower's current payment, whichever is higher;

15 (e) loans will be offered for fixed interest rate, thirty year terms  
16 only;

17 (f) a loan-to-value ratio of ninety-seven percent;

18 (g) no prepayment penalties shall be assessed to the borrower;

19 (h) utilization of and full access to the agency down payment assist-  
20 ance program financing;

21 (i) a call center to assist applicants;

22 (j) call center translation services shall be made available to appli-  
23 cants in English, Spanish, and any other language that the agency deter-  
24 mines, based on the size of the state population that speaks each  
25 language and any other factor that the chairman of the agency deems  
26 relevant and;

27 (k) all guidance documents and application materials shall be avail-  
28 able to applicants in English, Spanish, and any other language that the  
29 agency determines, based on the size of the state population that speaks  
30 each language and any other factor that the chairman of the agency deems  
31 relevant.

32 4. Eligibility. (a) In addition to other limitations, the new Ameri-  
33 can homebuyer assistance program shall be available to a eligible home-  
34 buyer only.

35 (b) The program shall only be available to a borrower if and so long  
36 as the borrower occupied the agency-financed home as their permanent  
37 residence.

38 (c) The program shall only be available to residences that do not  
39 exceed the agency's purchase price/appraised value limits.

40 (d) Except as provided in the program features and requirements  
41 contained in subdivision three of this section, the agency may implement  
42 such procedures and requirements as necessary including, but not limited  
43 to, outreach, education, counseling, and other borrower requirements or  
44 disclosures.

45 5. Terms of financing. Notwithstanding any other provision of law,  
46 the agency is authorized to require, as a condition to the financing of  
47 any mortgage with respect to the new American homebuyer assistance  
48 program, such restrictions upon assumability of the mortgage, default  
49 provisions, rights to accelerate, and such other terms as the agency may  
50 determine to be necessary or desirable. All such terms shall be  
51 enforced by the originating bank, the agency, and any successor holder  
52 of the mortgage unless expressly waived in writing by or on behalf of  
53 the agency. Subject to the features and requirements of this section,  
54 the agency may create and enforce credit underwriting standards as to  
55 ensure the continued solvency of the program.

56 § 2. This act shall take effect immediately.