

STATE OF NEW YORK

6413

2021-2022 Regular Sessions

IN ASSEMBLY

March 17, 2021

Introduced by M. of A. BARCLAY, McDONOUGH, SALKA, LEMONDES, DeSTEFANO, J. M. GIGLIO -- Multi-Sponsored by -- M. of A. BROWN, MANKTELOW -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law and the public authorities law, in relation to establishing the New York state diplomas to home ownership program; and making an appropriation therefor

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

1 Section 1. The education law is amended by adding a new section 679-k
2 to read as follows:

3 § 679-k. New York state diplomas to homeownership program. 1. Defi-
4 initions. (a) "Award" means a New York state diplomas to homeownership
5 program award.

6 (b) "Qualified property" means an approved land bank property pursuant
7 to article sixteen of the not-for-profit corporation law.

8 (c) "Delinquent" means the failure to pay a required scheduled payment
9 on a federal student loan within thirty days of such payment's due date.

10 (d) "Program" means the New York state diplomas to homeownership
11 program.

12 2. Eligibility. To be eligible for an award pursuant to this section,
13 applicants shall:

14 (a) have graduated from a high school located in the state or attended
15 an approved state program for a state high school equivalency diploma
16 and received such diploma. An applicant who received a high school
17 diploma, or its equivalent, from another state is ineligible for a
18 program award;

19 (b) have graduated and obtained an undergraduate degree from a college
20 or university located in New York state;

21 (c) have outstanding student loan debt from obtaining such degree;

22 (d) have not previously purchased a home at the time of application
23 for the program;

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

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1 (e) not be delinquent on a federal student loan or in default on a
2 student loan made under any statutory New York state or federal educa-
3 tion loan program; and

4 (f) be in the process of purchasing a qualified property; and

5 (g) not be received in conjunction with any other state homebuyers
6 incentives programs.

7 3. Administration. An applicant for an award shall apply for program
8 eligibility at such times, on forms and in a manner prescribed by the
9 corporation. The corporation may require applicants to provide addi-
10 tional documentation evidencing eligibility, including but not limited
11 to proof of loan amounts, and qualified property assessment and valu-
12 ation.

13 4. Amounts and duration. (a) The amount of the award shall be equal to
14 ten percent of the purchase price of the qualified property, not to
15 exceed fifteen thousand dollars.

16 (b) In the event that ten percent of the purchase price of a qualified
17 property exceeds the remaining balance of the recipient's student loan
18 debt, the amount shall be equal to the amount of debt remaining, not to
19 exceed fifteen thousand dollars.

20 (c) The award shall only be used as payment towards any outstanding
21 federal student loan or education loans taken out by the recipient.

22 (d) Payments shall be made directly to the entity that collects
23 payments on the federal student loan or loans on behalf of the recipient
24 on a monthly basis.

25 (e) Proof of payment shall be provided to the corporation within nine-
26 ty days of receipt of the award. Failure to provide proof of payment
27 will result in full repayment of the award amount by the award recipi-
28 ent.

29 (f) A maximum fifteen thousand dollars may be awarded.

30 5. Distribution of award. Such award shall be given to the recipient
31 in the form of a state of New York mortgage agency loan pursuant to
32 subdivision seventeen-a of section twenty-four hundred four of the
33 public authorities law.

34 6. Repayment. (a) A recipient of an award pursuant to this section who
35 is not a resident of the qualified property for a period of five contin-
36 uous years shall be required to repay such award to the state of New
37 York mortgage agency.

38 (b) If a recipient is required to repay any payment or payments to the
39 agency, the following provisions shall apply:

40 (1) If the recipient moves less than twelve months after the award was
41 made one hundred percent of the loan amount shall be due;

42 (2) If the recipient moves twelve months to twenty-four months after
43 the award was made eighty percent of the loan amount shall be due;

44 (3) If the recipient moves twenty-four months to thirty-six months
45 after the award was made sixty percent of the loan amount shall be due;

46 (4) If the recipient moves thirty-six months to forty-eight months
47 after the award was made forty percent of the loan amount shall be due;
48 and

49 (5) If the recipient moves forty-eight months to sixty months after
50 the award was made twenty percent of the loan amount shall be due;

51 (c) The interest rate shall be fixed and equal to the rate established
52 by section eighteen of the state finance law.

53 (d) Where a recipient has demonstrated extreme hardship as a result of
54 a disability, labor market conditions, or other such circumstances, the
55 agency may, in its discretion, waive or defer payment, extend the repay-
56 ment period, or take such other appropriate action.

1 § 2. Section 2404 of the public authorities law is amended by adding a
2 new subdivision 17-a to read as follows:

3 (17-a) To issue loans to recipients of the New York state diplomas to
4 homeownership program pursuant to section six hundred seventy-nine-k of
5 the education law;

6 § 3. The sum of five million dollars (\$5,000,000), or so much thereof
7 as may necessary, is hereby appropriated to the state of New York mort-
8 gage agency out of any moneys in the state treasury in the general fund
9 to the credit of the New York state diplomas to homeownership program,
10 not otherwise appropriated, and made immediately available, for the
11 purpose of carrying out the provisions of this act. Such moneys shall be
12 payable on the audit and warrant of the comptroller on vouchers certi-
13 fied or approved by the state of New York mortgage agency in the manner
14 prescribed by law.

15 § 4. This act shall take effect immediately.