STATE OF NEW YORK

4830

2023-2024 Regular Sessions

IN ASSEMBLY

February 23, 2023

Introduced by M. of A. BARCLAY, McDONOUGH, LEMONDES, DeSTEFANO, J. M. GIGLIO -- Multi-Sponsored by -- M. of A. K. 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:

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

§ 679-k. New York state diplomas to homeownership program. 1. Definitions. (a) "Award" means a New York state diplomas to homeownership program award.

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

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

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

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

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

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

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

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

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

LBD04886-01-3

(e) not be delinquent on a federal student loan or in default on a student loan made under any statutory New York state or federal education loan program; and

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

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

3. Administration. An applicant for an award shall apply for program eligibility at such times, on forms and in a manner prescribed by the corporation. The corporation may require applicants to provide additional documentation evidencing eligibility, including but not limited to proof of loan amounts, and qualified property assessment and valuation.

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

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

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

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

(e) Proof of payment shall be provided to the corporation within ninety days of receipt of the award. Failure to provide proof of payment will result in full repayment of the award amount by the award recipient.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 4. This act shall take effect immediately.