STATE OF NEW YORK

8521

IN SENATE

February 8, 2024

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:

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

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

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

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

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

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

3. Student loan assistance and home purchase program; implementation. (a) The program shall assist individuals who apply and are accepted to the program pursuant to paragraph (b) of this subdivision, by consolidating all or a portion of such individuals' student loans into such individuals' mortgages. The program shall be authorized to purchase mortgages, existing mortgages, and student loans from banks as needed to

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

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effectuate the provisions of this section. There shall be no limit to the amount of student loan debt that may be incorporated into a mortgage or existing mortgage pursuant to this section, unless otherwise provided by state or federal law.

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

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

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

4. Rules and regulations. The commissioner of housing and community renewal shall promulgate any rules and regulations necessary for the establishment and implementation of the program under this section. Further, the commissioner of housing and community renewal shall promulgate rules and regulations establishing:

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

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

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.