

STATE OF NEW YORK

4089

2025-2026 Regular Sessions

IN ASSEMBLY

January 31, 2025

Introduced by M. of A. CUNNINGHAM -- read once and referred to the
Committee on Housing

AN ACT to amend the public authorities law, in relation to establishing
the first-time homebuyer assistance program within the state of New
York mortgage agency

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

1 Section 1. The public authorities law is amended by adding a new
2 section 2429-g to read as follows:

3 § 2429-g. First-time homebuyer assistance program. (1) The agency is
4 hereby authorized and directed to create, manage, and maintain the
5 "first-time homebuyer assistance program". The agency shall make such
6 rules and regulations as are necessary to implement the first-time home-
7 buyer assistance program. The purpose of the program shall be to provide
8 assistance to first-time homebuyers of certain residential units.

9 (2) For purposes of this section:

10 (a) "First-time homebuyer" means a person who has not owned a primary
11 residential property and is not married to a person who has owned a
12 residential property during the three-year period prior to their
13 purchase of the primary residential property, and who does not own a
14 vacation or investment home.

15 (b) "Program" means the first-time homebuyer assistance program.

16 (c) "Program funds" means money appropriated for the program.

17 (d) "Qualifying mortgage loan" means a mortgage loan that:

18 (i) is purchased by the agency; and

19 (ii) is subject to a document that is recorded in the office of the
20 county clerk of the county in which the residential unit is located.

21 (e) "Qualifying residential unit" means a residential unit that:

22 (i) is located in the state of New York;

23 (ii) is new construction or newly constructed but not yet inhabited;

24 (iii) is financed by a qualifying mortgage loan;

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

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1 (iv) is owner-occupied upon purchase; and
2 (v) is purchased for an amount that does not exceed:
3 (A) four hundred fifty thousand dollars; or
4 (B) if applicable, the maximum purchase price established by the agen-
5 cy under subdivision six of this section.

6 (f) "Recipient" means a first-time homebuyer who received program
7 funds.

8 (g) "Residential unit" includes a house, condominium, townhome, manu-
9 factured or modular home that is attached to a permanent foundation, or
10 similar residential structure that serves as a one-unit dwelling.

11 (h) "Home equity amount" means the difference between:

12 (i) (A) in the case of a sale, the sales price for which the qualify-
13 ing residential unit is sold by the recipient in a bona fide sale to a
14 third party with no right to repurchase; or

15 (B) in the case of a refinance, the current appraised value of the
16 qualifying residential unit; and

17 (ii) the total payoff amount of any qualifying mortgage loan that was
18 used to finance the purchase of the qualifying residential unit.

19 (3) The maximum amount of program funds that a first-time homebuyer
20 may receive under the program shall be twenty thousand dollars.

21 (4) (a) A recipient may use program funds to pay for:

22 (i) the down payment on a qualifying residential unit;

23 (ii) closing costs associated with the purchase of a qualifying resi-
24 dential unit;

25 (iii) a permanent reduction in the advertised par interest rate on a
26 qualifying mortgage loan that is used to finance a qualifying residen-
27 tial unit; or

28 (iv) any combination of subparagraphs (i), (ii), and (iii) of this
29 paragraph.

30 (b) The agency shall direct the disbursement of program funds for any
31 purpose authorized in paragraph (a) of this subdivision.

32 (c) A recipient may not receive a payout or distribution of program
33 funds upon closing.

34 (5) The builder or developer of a qualifying residential unit may not
35 increase the price of the qualifying residential unit on the basis of
36 program funds being used towards the purchase of that qualifying resi-
37 dential unit.

38 (6) In accordance with rules made by the agency pursuant to subdivi-
39 sion nine of this section, the agency may adjust the maximum purchase
40 price of a qualifying residential unit for which a first-time homebuyer
41 qualifies to receive program funds in order to reflect current market
42 conditions, provided that the agency adjusts the maximum purchase price
43 under this subdivision no more frequently than once each calendar year.

44 (7) If the recipient sells the qualifying residential unit or refi-
45 nances the qualifying mortgage loan that was used to finance the
46 purchase of the qualifying residential unit before the end of the
47 original term of the qualifying mortgage loan, the recipient shall repay
48 to the agency an amount equal to the lesser of:

49 (a) the amount of program funds the recipient received; or

50 (b) fifty percent of the recipient's home equity amount.

51 (8) Any funds repaid to the agency under subdivision seven of this
52 section shall be used for program distributions.

53 (9) The agency shall make rules governing the application form, proc-
54 ess, and criteria the agency shall use to distribute program funds to
55 first-time homebuyers.

1 (10) The agency may use up to five percent of program funds for admin-
2 istration.

3 (11) The agency shall report annually to the governor, the speaker of
4 the assembly, and the temporary president of the senate on disbursements
5 from the program and any adjustments made to the maximum purchase price
6 of a qualifying residential unit pursuant to subdivision six of this
7 section.

8 § 2. This act shall take effect on the one hundred eightieth day after
9 it shall have become a law.