STATE OF NEW YORK

4340

2025-2026 Regular Sessions

IN SENATE

February 4, 2025

Introduced by Sen. COMRIE -- 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:

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

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

2. Definitions. For purposes of this section:

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

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

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

LBD05597-01-5

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

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

(b) household income eligibility income limits up to one hundred thirty percent of area median income;

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

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

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

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

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

(h) utilization of and full access to the agency down payment assistance program financing;

(i) a call center to assist applicants;

(j) call center translation services shall be made available to applicants in English, Spanish, and any other language that the agency determines, based on the size of the state population that speaks each language and any other factor that the chair of the agency deems relevant and;

(k) all guidance documents and application materials shall be available to applicants in English, Spanish, and any other language that the agency determines, based on the size of the state population that speaks each language and any other factor that the chair of the agency deems relevant.

4. Eligibility. (a) In addition to other limitations, the new American homebuyer assistance program shall be available to an eligible homebuyer only.

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

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

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

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

§ 2. This act shall take effect immediately.