

STATE OF NEW YORK

8675

IN SENATE

January 7, 2026

Introduced by Sen. FAHY -- 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 "CareForce first-time homebuyers act"

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "CareForce first-time homebuyers act".

3 § 2. Legislative findings and intent. The legislature hereby finds
4 that the affordability crisis facing New York's care workforce, includ-
5 ing direct support professionals, certified nursing assistants, nurses,
6 behavioral health and human services staff, and early intervention and
7 special education therapists--threatens workforce stability and quality
8 of care for vulnerable populations. Stable homeownership near places of
9 work improves retention, reduces turnover, and supports community inte-
10 gration. The state of New York mortgage agency is therefore directed to
11 establish a dedicated program to provide discounted financing and
12 forgivable down payment assistance to this workforce.

13 § 3. Section 2404 of the public authorities law is amended by adding a
14 new subdivision 34 to read as follows:

15 (34) To establish and administer the CareForce first-time homebuyers
16 program pursuant to section twenty-four hundred five-g of this part.

17 § 4. The public authorities law is amended by adding a new section
18 2405-g to read as follows:

19 § 2405-g. CareForce first-time homebuyers program. (1) Definitions.
20 For the purposes of this section, the following terms shall have the
21 following meanings:

22 (a) "Program" means the CareForce first-time homebuyers program estab-
23 lished pursuant to subdivision two of this section.

24 (b) "Eligible borrower" means an eligible borrower as described under
25 subdivision three of this section.

26 (c) "Qualifying care workforce occupation" means healthcare workers,
27 determined by the commissioner of housing and community renewal, in

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

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1 consultation with the commissioner of the department of health, the
2 commissioner of the office for people with developmental disabilities,
3 the commissioner of the office of mental health, the commissioner of the
4 office of addiction services and supports, the commissioner of the
5 office of children and family services, and shall include but not be
6 limited to direct support professionals, certified nursing assistants,
7 licensed practical nurses, registered nurses, behavioral health or human
8 services staff, and early intervention and special education therapists.

9 2. Establishment. The division of housing and community renewal shall
10 establish a CareForce first-time homebuyers program to provide below-
11 market mortgage financing and forgivable down payment assistance to
12 eligible borrowers of the care workforce.

13 3. Eligible borrowers. A borrower financing a mortgage shall be eligi-
14 ble for the program if such borrower:

15 (a) is a first-time homebuyer, as defined in section fourteen hundred
16 forty of the tax law, or if otherwise permitted by federal law;

17 (b) has household income and is purchasing a home within the county-
18 specific income and purchase price limits established by the agency;

19 (c) is employed in a qualifying care workforce occupation at the time
20 of mortgage application;

21 (d) works an average of not less than twenty hours per week; and

22 (e) is purchasing a primary residence located within a reasonable
23 commuting distance of such employment, as determined by the agency as
24 being within twenty-five miles within the county of employment or a
25 contiguous county, or within sixty minutes by automobile or public tran-
26 sit, as determined by the agency.

27 4. Mortgage rate reduction. Mortgages originated under this section
28 shall carry an interest rate fifty basis points (0.50%) below the
29 prevailing agency interest rate for otherwise comparable loans.

30 5. Down payment assistance loans. (a) The agency shall provide a down
31 payment assistance loan in the amount of up to twenty thousand dollars.

32 (b) Such loan shall be secured by a subordinate lien against the prop-
33 erty and shall be non-amortizing.

34 (c) The down payment assistance loan shall be forgiven in full upon
35 the earlier of:

36 (i) ten years of continuous owner-occupancy;

37 (ii) transfer of the mortgage into another agency-financed mortgage
38 product; or

39 (iii) documented hardship, as defined by the commissioner of housing
40 and community renewal.

41 (d) In the event of sale, transfer, or non-occupancy prior to full
42 forgiveness, the unforgiven balance shall be subject to repayment or
43 recapture as established by the commissioner of housing and community
44 renewal.

45 6. Program compatibility. Eligible borrowers under this section shall
46 not be prohibited from receiving other housing assistance including but
47 not limited to:

48 (a) employer-assisted housing benefits;

49 (b) local government down payment or homebuyer assistance programs;
50 and

51 (c) federal homeownership vouchers, including but not limited to the
52 housing choice voucher homeownership program.

53 7. Funding. (a) The agency may finance mortgages and down payment
54 assistance loans authorized under this section through its existing
55 bonding authority.

1 (b) Down payment assistance loans may also be funded, in whole or in
2 part, through state appropriations made to the housing finance fund or
3 any other fund designated by the legislature.

4 (c) The agency may establish a dedicated account to receive state,
5 federal, or private funds to support the program.

6 8. Administration. (a) The agency shall promulgate rules and regu-
7 lations necessary for implementation of the provisions of this section,
8 including eligibility verification, loan forgiveness, hardship stand-
9 ards, recapture provisions, and procedures for layering with other
10 programs.

11 (b) The agency may delegate loan servicing functions to participating
12 lenders subject to oversight.

13 (c) The agency shall ensure that program materials are accessible,
14 including multiple languages and evening/weekend assistance where feasi-
15 ble.

16 9. Reporting. The agency shall submit an annual report to the governor
17 and the legislature detailing:

18 (a) the number of loans originated;

19 (b) the geographic distribution of borrowers;

20 (c) the aggregate amount of interest rate reductions and down payment
21 assistance provided; and

22 (d) program outcomes including recruitment and retention in care work-
23 force occupations.

24 § 5. Severability clause. If any clause, sentence, paragraph, subdivi-
25 sion, section or part of this act shall be adjudged by any court of
26 competent jurisdiction to be invalid, such judgment shall not affect,
27 impair, or invalidate the remainder thereof, but shall be confined in
28 its operation to the clause, sentence, paragraph, subdivision, section
29 or part thereof directly involved in the controversy in which such judg-
30 ment shall have been rendered. It is hereby declared to be the intent of
31 the legislature that this act would have been enacted even if such
32 invalid provisions had not been included herein.

33 § 6. This act shall take effect on the one hundred eightieth day after
34 it shall have become a law. Effective immediately, the addition, amend-
35 ment and/or repeal of any rule or regulation necessary for the implemen-
36 tation of this act on its effective date are authorized to be made and
37 completed on or before such effective date.