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:

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

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

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

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

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

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

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

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

(c) "Qualifying care workforce occupation" means healthcare workers, 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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consultation with the commissioner of the department of health, the commissioner of the office for people with developmental disabilities, the commissioner of the office of mental health, the commissioner of the office of addiction services and supports, the commissioner of the office of children and family services, and shall include but not be limited to direct support professionals, certified nursing assistants, licensed practical nurses, registered nurses, behavioral health or human services staff, and early intervention and special education therapists.

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

3. Eligible borrowers. A borrower financing a mortgage shall be eligible for the program if such borrower:

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

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

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

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

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

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

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

(b) Such loan shall be secured by a subordinate lien against the property and shall be non-amortizing.

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

(i) ten years of continuous owner-occupancy;

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

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

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

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

(a) employer-assisted housing benefits;

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

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

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

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

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

8. Administration. (a) The agency shall promulgate rules and regulations necessary for implementation of the provisions of this section, including eligibility verification, loan forgiveness, hardship standards, recapture provisions, and procedures for layering with other programs.

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

(c) The agency shall ensure that program materials are accessible, including multiple languages and evening/weekend assistance where feasible.

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

(a) the number of loans originated;

(b) the geographic distribution of borrowers;

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

(d) program outcomes including recruitment and retention in care workforce occupations.

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

§ 6. 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.