

STATE OF NEW YORK

4098

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-generation homebuyer assistance program

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 2428-b to read as follows:

3 § 2428-b. First-generation homebuyer assistance program. 1. For the
4 purposes of this section, the following terms shall have the following
5 meanings:

6 (a) "down payment assistance" or "assistance" means financial assist-
7 ance for first-generation homebuyers to acquire single-family housing
8 for their principal residence through the loan program;

9 (b) "first-generation homebuyer" means a first-time homebuyer, who is:

10 (i) an individual:

11 (1) whose parents or legal guardians do not have any present ownership
12 interest in any residential real property in any state or territory of
13 the United States, or outside of the United States; and

14 (2) whose spouse, or domestic partner, and each member of whose house-
15 hold has not, during the three year period ending upon acquisition of
16 the eligible home to be acquired using such assistance, had any present
17 ownership interest in any residential real property used as their prin-
18 cipal residence in any state or territory of the United States, or
19 outside of the United States; or

20 (ii) an individual who has at any time been placed in foster care in
21 the state;

22 (c) "first-time homebuyer" means a homebuyer who, in accordance with
23 rules and regulations adopted by the agency, has not owned any residen-
24 tial real property as their principal residence within the preceding
25 three years, and is utilizing a mortgage product offered by the agency

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

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1 through an agency homebuyer program to purchase single-family housing,
2 and has a gross household income that does not exceed a limitation
3 determined by the agency;

4 (d) "principal residence" means a homestead that is actually and
5 continually occupied as the permanent residence of a household, as
6 distinguished from a vacation home, real property owned and rented or
7 offered for rent by the household, or other secondary real property
8 holdings; and

9 (e) "single-family housing" means a one- to four-family residence, a
10 condominium unit, a cooperative unit, a combination of a manufactured
11 housing and lot, or a manufactured housing lot.

12 2. (a) There is established in the agency a zero-interest, forgivable
13 loan program to provide down payment assistance for first-generation
14 homebuyers to achieve homeownership. The loan program shall provide down
15 payment assistance to defray the costs associated with acquiring
16 single-family housing for a principal residence, as provided for in
17 paragraph (b) of this subdivision. A first-generation homebuyer shall
18 commit to use the home as their principal residence for five years
19 following the purchase of the home. The agency shall forgive the loan,
20 provided that the five-year commitment is satisfied and the first-gener-
21 ation homebuyer meets the other requirements established pursuant to
22 this section.

23 (b) (i) The down payment assistance provided pursuant to this section
24 shall be in the form of a zero-interest, forgivable loan award. The
25 loan award shall be in the amount of up to fifteen thousand dollars.

26 (ii) Each first-generation homebuyer who receives down payment assist-
27 ance through the loan program shall, prior to the award of down payment
28 assistance, complete not less than eight hours of a homebuyer counseling
29 course, as directed by the agency. The homebuyer counseling course shall
30 include, but not be limited to, coursework concerning:

31 (1) the maintenance of housing costs, including methods for budgeting
32 mortgage payments, utility charges, property taxes, and any other appli-
33 cable housing cost;

34 (2) the basics of home finance, property taxes, home warranties, and
35 home inspection;

36 (3) the legal components of finalizing a home purchase; and

37 (4) the process of finding an appropriate house, including how to
38 search real estate listings through a real estate agent or other sourc-
39 es.

40 (c) The agency shall promulgate rules and regulations to effectuate,
41 administer, and accomplish the purposes of the loan program. The rules
42 and regulations shall, at a minimum, set forth the requirements for
43 application submissions, the criteria for application selections, the
44 eligible uses of down payment assistance, eligibility as a first-genera-
45 tion homebuyer, and the curriculum and provision of the homebuyer coun-
46 seling course.

47 (d) The agency shall permit an individual to establish eligibility for
48 the loan program as a first-generation homebuyer via self-attestation,
49 under penalty of perjury. However, nothing in this paragraph shall
50 preclude the agency from establishing measures to identify and deter
51 fraudulent attestations. If it is established that an individual has
52 received assistance as a result of a fraudulent attestation, the indi-
53 vidual shall reimburse the agency for the assistance.

54 (e) A down payment assistance loan shall be recoverable as a lien on
55 the real property that the loan is used to purchase, and shall have the
56 priority of a mortgage lien.

1 (f) No later than two years following the effective date of this
2 section, the agency shall prepare and submit a report to the governor,
3 the temporary president of the senate and the speaker of the assembly.
4 The report shall analyze the efficacy of the loan program. The report
5 shall provide an overview of the total amount of down payment assistance
6 provided by the agency, with information by census tract on the race and
7 ethnicity of the recipients of assistance. The report also shall
8 analyze:

9 (i) the impact of the down payment assistance on the total housing
10 costs of the recipients of such assistance;

11 (ii) the impact of the loan program, on first-generation homeowner-
12 ship; and

13 (iii) any other information determined by the agency to be relevant to
14 the costs and benefits of the loan program.

15 § 2. This act shall take effect immediately.