



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1486

H.P. 977

House of Representatives, April 3, 2025

An Act to Provide Financing Assistance for Down Payments for First-generation Homeowners

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative YUSUF of Portland.
Cosponsored by Senator CURRY of Waldo and
Representatives: DHALAC of South Portland, GERE of Kennebunkport, GOLEK of
Harpwell, LOOKNER of Portland, RANA of Bangor, Senator: BENNETT of Oxford.

1 Be it enacted by the People of the State of Maine as follows:

2 Sec. 1. 30-A MRSA c. 201, sub-c. 10-B is enacted to read:

3 **SUBCHAPTER 10-B**

4 **FIRST-GENERATION HOMEOWNER DOWN PAYMENT ASSISTANCE**
5 **PROGRAM**

6 **§4947. First-generation Homeowner Down Payment Assistance Program**

7 **1. Program established.** The First-generation Homeowner Down Payment
8 Assistance Program, referred to in this subchapter as "the program," is established within
9 the Maine State Housing Authority.

10 **2. Purpose.** The purpose of the program is to provide down payment assistance in the
11 form of a loan to first-generation homeowners.

12 **3. Program requirements.** The program must be administered subject to the
13 provisions of this section. Priority must be given to applicants who demonstrate a need for
14 assistance and an ability to repay a loan for down payment assistance issued under the
15 program.

16 **A.** A loan issued under the program may not exceed 10% of the purchase price of the
17 home that will serve as a borrower's primary residence and is limited to a borrower
18 who:

19 **(1)** Has a household income at or below 100% of the area median income where
20 the property intended for purchase is located;

21 **(2)** Has never owned a home or who owned a home but lost it due to foreclosure;

22 **(3)** Is preapproved for a first mortgage loan to purchase the property; and

23 **(4)** Has or had a parent or legal guardian who never owned a home or who owned
24 a home but lost it due to foreclosure.

25 **B.** A loan issued under this program is forgivable at a rate of 20% per year.

26 **C.** Administrative costs may not exceed \$3,200 per loan.

27 **4. Rules.** The Maine State Housing Authority shall adopt rules to carry out the
28 purposes of this subchapter. Rules adopted pursuant to this subsection are routine technical
29 rules as defined in Title 5, chapter 375, subchapter 2-A.

30 **§4948. First-generation Homeowner Down Payment Assistance Fund**

31 **1. Fund established.** The First-generation Homeowner Down Payment Assistance
32 Fund, referred to in this subchapter as "the fund," is established under the jurisdiction of
33 the Maine State Housing Authority.

34 **2. Sources of fund.** The following must be paid into the fund:

35 **A.** All funds appropriated to the fund;

36 **B.** Subject to any pledge, contract or other obligation, any funds that the Maine State
37 Housing Authority receives in repayment of loans or advances from the fund;

C. Subject to any pledge, contract or other obligation, all interest, dividends or other income from investment of the fund; and

D. Any other funds, including federal funds, deposited in the fund to implement the provisions of this subchapter.

3. Revolving fund. The fund is a nonlapsing, revolving fund. All funds in the fund must be continuously applied by the Maine State Housing Authority to carry out this subchapter.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

HOUSING AUTHORITY, MAINE STATE

First-generation Homeowner Down Payment Assistance Fund N519

Initiative: Provides ongoing funds to provide down payment assistance in the form of loans to eligible first-generation homeowners.

| | | |
|---------------------------|---------------------|---------------------|
| GENERAL FUND | 2025-26 | 2026-27 |
| All Other | \$10,000,000 | \$10,000,000 |
| GENERAL FUND TOTAL | \$10,000,000 | \$10,000,000 |

SUMMARY

This bill establishes a program to be administered by the Maine State Housing Authority that provides down payment assistance in the form of loans to prospective first-generation homeowners with household incomes at or below 100% of the area median income where the property to be purchased is located. Loans issued under the program may not exceed 10% of the purchase price of the property and administrative costs may not exceed \$3,200 per loan. The bill provides ongoing funding of \$10,000,000 per year to administer the program.