

1.1 Senator moves to amend S.F. No. 22 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **FIRST-TIME HOME BUYERS DOWN PAYMENT ASSISTANCE**
1.4 **FUND.**

1.5 Subdivision 1. **Establishment.** A first-time home buyers down payment assistance fund
1.6 is established as a pilot project under the administration of the Midwest Minnesota
1.7 Community Development Corporation (MMCDC), a community development financial
1.8 institution (CDFI) as defined under the Riegle Community Development and Regulatory
1.9 Improvement Act of 1994, to provide targeted assistance to eligible first-time home buyers.

1.10 Subd. 2. **Eligible home buyer.** For the purposes of this section an eligible first-time
1.11 home buyer is a Minnesota resident whose income is at or below 80 percent of the area
1.12 median income at the time of purchase; who is a first-time home buyer as defined under
1.13 Code of Federal Regulations, title 24, section 92.2; and who is preapproved for a first
1.14 mortgage loan. An eligible home buyer must, following the purchase of the home, occupy
1.15 it as their primary residence. The eligible home buyer must contribute a minimum of \$1,000
1.16 to down payment or closing costs.

1.17 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the
1.18 purchase price of a home, not to exceed \$15,000 per eligible first-time home buyer. The
1.19 assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent
1.20 per year on the day after the anniversary date of the note. The prorated balance due is
1.21 repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible
1.22 refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed
1.23 foreclosure action within the five-year loan term. Funds may be reserved and used for closing
1.24 costs, down payment, or principal reduction. The funds must be used in conjunction with
1.25 a conforming first mortgage loan that is fully amortizing and meets the standards of a
1.26 qualified mortgage. Funds may be used in conjunction with other programs the eligible
1.27 home buyer may qualify for and the loan placed in any priority position.

1.28 Subd. 4. **Administration.** The first-time home buyers down payment assistance fund
1.29 shall be administered by MMCDC and be available for eligible home buyers statewide.
1.30 MMCDC shall authorize and reimburse other eligible CDFIs to reserve, originate, fund,
1.31 and service funds for eligible first-time home buyers. An eligible CDFI must be licensed
1.32 by the state of Minnesota and the Nationwide Multistate Licensing System and Registry
1.33 for loan origination and must provide affordable housing lending or financing programs.
1.34 Administrative costs must not exceed \$1,000 per loan. Any funds made available due to

2.1 early resale of a home must be returned to MMCDC for redistribution to eligible first-time
2.2 home buyers.

2.3 Subd. 5. **Legislative auditor.** The first-time home buyers down payment assistance fund
2.4 is subject to audit by the legislative auditor. MMCDC and participating CDFIs must cooperate
2.5 with any audit by the legislative auditor.

2.6 Subd. 6. **Creditor immunity for reliance on borrower self-attestations.** No creditor
2.7 shall be subject to liability, including monetary penalties or requirements to indemnify a
2.8 federal or state agency or repurchase a loan that has been sold or securitized, for the provision
2.9 of down payment assistance under this section to a borrower who does not meet the eligibility
2.10 requirements if the creditor does so in good faith reliance on borrower attestations of
2.11 eligibility required by this section or regulation.

2.12 Subd. 7. **Report to legislature.** By January 15 each year, MMCDC must report to the
2.13 chairs and ranking minority members of the legislative committees having jurisdiction over
2.14 housing the following information:

2.15 (1) the number and amount of loans closed;

2.16 (2) the mean and median loan amount;

2.17 (3) the number and amount of grants issued by race or ethnic categories;

2.18 (4) the mean and median home purchase price;

2.19 (5) the type of mortgage;

2.20 (6) the total amount returned to the fund; and

2.21 (7) the number and amount of grants issued by county.

2.22 Subd. 8. **Appropriation.** (a) \$10,000,000 of the allocations from the Housing Finance
2.23 Agency's housing affordability fund, or Pool 3, in fiscal year 2024 shall be for the first-time
2.24 home buyers down payment assistance fund. No money from the allocation under this
2.25 paragraph may be used to administer this program.

2.26 (b) Each year on January 15, the commissioner of the Housing Finance Agency shall
2.27 report to the legislature the allocation of housing affordability funds under paragraph (a),
2.28 including the amount issued in loans, the amount of loans repaid, the remaining balance of
2.29 the revolving loan fund, the number of projects funded or financed, the number of residents
2.30 included in each project, and the location of each project.

3.1 (c) Nothing in this section shall impair the obligation of the agency to use funds in Pool
3.2 3 to satisfy the agency's obligations to holders of bonds secured by the general obligation
3.3 pledge of the agency to suggested use of agency resources."

3.4 Amend the title accordingly