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BILL SUMMARY

S.F. No. 1610 – Modifying the community-based first-generation homebuyers assistance program

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S.F. 1610 modifies the community-based first-generation homebuyers assistance program, enacted in 2023, which established a pilot project for Midwest Minnesota Community Development Corporation to develop a down payment assistance program for first time homebuyers.

Section 1 amends the appropriation in session law 2023, removing the requirement for any funds recaptured after the three-year program period to be remitted to the Housing Finance Agency.

Section 2 modifies the program language as follows:

> Subdivision 1 would make this a program, rather than a pilot project.
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> Subdivision 2 changes eligibility from a household to a homebuyer with 100 percent or less of the statewide median income.
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> Subdivision 3 allows the down payment assistance to be a maximum of 10 percent of the median home sales price. It also changes the loan terms, so that the loan has no interest and no payments and is forgiven 20 percent each year for five years. The subdivision also allows MMCDC to retain recaptured funds to assist additional eligible homebuyers.
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> Subdivision 4 amends the administrative costs from a fixed amount of $3,200 per loan to ten percent of the appropriation in a fiscal year.
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> Subdivision 5 deletes the requirement to include credit scores in the annual report to the legislature.

Section 3 appropriates $25 million in fiscal year 2026 and $50 million in fiscal year 2027 for the program.