

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 845

H.P. 531

House of Representatives, March 4, 2025

**An Act to Establish a First-time Home-buyer Program
Administered by the Finance Authority of Maine**

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative FREDETTE of Newport.

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

2 **Sec. 1. 10 MRSA c. 110, sub-c. 2-C** is enacted to read:

3 **SUBCHAPTER 2-C**

4 **FIRST-TIME HOME-BUYER PROGRAM**

5 **§1040. First-time Home-buyer Program**

6 **1. Definitions.** As used in this subchapter, unless the context otherwise indicates, the
7 following terms have the following meanings.

8 A. "First-time home buyer" means an individual or household that has not owned a
9 primary residence in the past 3 years.

10 B. "Program" means the First-time Home-buyer Program established in subsection 2.

11 **2. First-time Home-buyer Program established.** The First-time Home-buyer
12 Program is established for the purpose of assisting first-time home buyers across all
13 counties in the State by providing access to affordable mortgage loans with low interest
14 rates and low down payment requirements.

15 **3. Financial terms and conditions of mortgages.** The mortgage loans provided
16 under the program must:

17 A. Have a loan term of no more than 30 years;

18 B. Have an interest rate lower than market rates at the time of application;

19 C. Require a down payment of no more than 5% of the home purchase price; and

20 D. Have a loan guarantee.

21 **4. Eligibility criteria.** To qualify for a mortgage loan under the program, an applicant
22 must:

23 A. Be a first-time home buyer;

24 B. Demonstrate that the home purchase price is equal to or less than the maximum
25 purchase price for homes as established by the authority in accordance with subsection
26 5; and

27 C. Satisfy any additional eligibility criteria for applicants of the program established
28 by the authority.

29 **5. Administration; rules.** The authority shall administer the program. To carry out
30 the purposes of the program, the authority shall:

31 A. Establish a method to calculate the maximum purchase price for a home in each
32 county of the State based on the regional housing market conditions and adjust the
33 maximum purchase price biennially to account for housing market changes and
34 inflation;

35 B. Allocate loan opportunities equitably across all counties in the State and adopt rules
36 and procedures to monitor and adjust allocations to maintain the equitable geographic
37 distribution of the program; and

1 C. Adopt rules establishing the program application process, the terms and conditions
2 of the loan guarantees and any other rules necessary for administration of the program.

3 Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5,
4 chapter 375, subchapter 2-A.

5 **6. Reporting requirements.** Beginning in January 2027, the authority shall submit
6 an annual report on the program to the joint standing committee of the Legislature having
7 jurisdiction over housing matters. The annual report must include information regarding:

8 A. The number of loans issued;

9 B. The geographic distribution of loans issued;

10 C. The average purchase price of homes; and

11 D. Recommendations for improving the program.

12 **7. Funding.** The authority may seek and accept funding from public and private
13 sources, including federal grants, to support the implementation and sustainability of the
14 program. Money received by the authority on behalf of the program must be used for the
15 purposes of this subchapter. The program fund must be maintained and administered by
16 the authority.

17 **Sec. 2. Effective date.** This Act takes effect January 1, 2026.

18 **SUMMARY**

19 This bill establishes the First-time Home-buyer Program to be administered by the
20 Finance Authority of Maine. The First-time Home-buyer Program is established for the
21 purpose of assisting first-time home buyers across all 16 counties of the State by providing
22 access to affordable mortgage loans with low interest rates and low down payment
23 requirements.