

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## SECOND REGULAR SESSION-2026

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Legislative Document

No. 2077

H.P. 1392

House of Representatives, January 7, 2026

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### **An Act to Reduce the Cost of Purchasing a Home by Providing Grants to Reduce Mortgage Rates**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

A handwritten signature in black ink that reads "R. B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative FARRIN of Jefferson.

Cosponsored by Representatives: EATON of Deer Isle, Speaker FECTEAU of Biddeford, FROST of Belgrade, GOLEK of Harpswell, TERRY of Gorham, WEBB of Durham.

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

2           **Sec. 1. 30-A MRSA §4722, sub-§1, ¶GG**, as amended by PL 2021, c. 322, §2, is  
3       further amended to read:

4           GG. In accordance with the credit for affordable housing established in Title 36,  
5       section 5219-WW and in accordance with rules adopted under the Maine  
6       Administrative Procedure Act:

- 7           (1) Allocate the credit;
- 8           (2) Administer and enforce the requirements of the credit; and
- 9           (3) Perform other functions and duties necessary for the proper administration of  
10       the credit, including providing any necessary certifications and notices to taxpayers  
11       and to the Department of Administrative and Financial Services, Bureau of  
12       Revenue Services containing information required by the State Tax Assessor  
13       necessary for determining eligibility and the amount of the credit for each taxable  
14       year; and

15       Rules adopted under this paragraph are routine technical rules:;

16           **Sec. 2. 30-A MRSA §4722, sub-§1, ¶HH**, as enacted by PL 2021, c. 322, §3, is  
17       amended to read:

18           HH. Provide the joint standing committee of the Legislature having jurisdiction over  
19       housing matters copies of any reports required to be submitted to the United States  
20       Department of the Treasury or the Governor regarding the administration of the  
21       emergency rental assistance programs established by Section 501 of Division N of the  
22       federal Consolidated Appropriations Act, 2021 and Section 3201(a) of the federal  
23       American Rescue Plan Act of 2021. Copies of any reports required to be submitted to  
24       the United States Department of the Treasury or the Governor must be submitted to the  
25       joint standing committee of the Legislature having jurisdiction over housing matters  
26       no later than 7 days after the reports are submitted to the United States Department of  
27       the Treasury or the Governor. If no such reports are required to be submitted to the  
28       United States Department of the Treasury or the Governor, the Maine State Housing  
29       Authority shall submit, beginning January 15, 2022 and annually thereafter, to the joint  
30       standing committee of the Legislature having jurisdiction over housing matters a report  
31       on any rental assistance distributed by the Maine State Housing Authority; and

32           **Sec. 3. 30-A MRSA §4722, sub-§1, ¶III** is enacted to read:

33           II. Administer a program that provides a grant of up to \$15,000 per home purchase for  
34       the purpose of reducing the mortgage rate of a loan for the purchase of an owner-  
35       occupied single-family residence by a person whose income at the time of the grant is  
36       no greater than the income limits for qualified first-time home buyers established under  
37       26 United States Code, Section 143. The Maine State Housing Authority may use funds  
38       appropriated or allocated to the Maine State Housing Authority for a grant issued  
39       pursuant to this paragraph.

40           **Sec. 4. 36 MRSA §5122, sub-§2, ¶BBB** is enacted to read:

41           BBB. For taxable years beginning on or after January 1, 2026, to the extent included  
42       in federal adjusted gross income and to the extent otherwise subject to state income

1 tax, an amount equal to payments made to purchase private mortgage insurance for the  
2 taxpayer's primary residence located in this State. As used in this paragraph, "private  
3 mortgage insurance" has the same meaning as in Title 9-A, section 9-315, subsection  
4 1, paragraph A.

5 **SUMMARY**

6 This bill:

7 1. Requires the Maine State Housing Authority to administer a program to provide  
8 grants of up to \$15,000 to persons with low income and moderate income for the purpose  
9 of decreasing the rate of a mortgage loan used to purchase an owner-occupied single-family  
10 residence. Current law allows the authority to refinance existing loans for the purpose of  
11 lowering mortgage payments or making home improvements for persons with low income;  
12 and

13 2. Allows a taxpayer an income tax deduction for payments made to purchase private  
14 mortgage insurance for that taxpayer's primary residence located in Maine.