

Senate File 2272 - Introduced

SENATE FILE 2272

BY J. SMITH

A BILL FOR

1 An Act codifying a first home buyer program administered by the
2 Iowa finance authority.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 16.54A Firsthome program.

2 1. For the purposes of this section:

3 a. "*First-time homebuyer*" means any of the following:

4 (1) An individual who has not owned a primary residence in
5 the last three consecutive years immediately prior to the date
6 of the individual's application for the firsthome program.

7 (2) A member of the military who has not previously used a
8 mortgage revenue bond program to finance a home purchase.

9 (3) An individual who is purchasing a home in a targeted
10 area as determined by the authority.

11 b. "*Member of the military*" means any of the following:

12 (1) An individual who has served ninety days active duty
13 between August 2, 1990, and April 6, 1991, or September 11,
14 2001, to the date of application for the firsthome program.
15 The ninety days of active duty may be cumulative, but are not
16 required to be consecutive. Inactive duty training, annual
17 training, and active duty for training shall not count toward
18 the ninety days.

19 (2) An individual who is a former member of the national
20 guard, or a reserve or regular component of the armed forces of
21 the United States, who was honorably discharged due to injuries
22 incurred while on federal active duty beginning on or after
23 September 11, 2001, or during the period of the Persian Gulf
24 Conflict, beginning August 2, 1990, and ending April 6, 1991,
25 that precluded completion of a minimum aggregate of ninety days
26 of federal active duty.

27 (3) The surviving spouse of an individual under
28 subparagraph (1) or (2).

29 c. "*Program*" means the firsthome program established in this
30 section.

31 d. "*Second loan*" means a loan that is up to a certain
32 percentage of the sale price of a home, or a certain fixed
33 dollar amount, that must be repaid when the home is sold,
34 refinanced, or the first mortgage on the home is satisfied.

35 2. The firsthome program is established to continue the

1 firsthome program administered by the authority to provide
2 assistance to eligible first-time homebuyers. The firsthome
3 program shall be administered by the authority and shall
4 provide down payment and closing cost assistance grants, second
5 loans, free Iowa title guaranty owner's certificates, or other
6 assistance to eligible first-time homebuyers.

7 3. To qualify for assistance under the firsthome program, an
8 individual must meet the following requirements:

9 a. The individual must be a first-time homebuyer.

10 b. The individual's household income must meet the
11 eligibility requirements established by the authority by rule.

12 c. The purchase price of the home that the individual wants
13 to purchase must be within the price limits established by the
14 authority by rule.

15 d. The individual must occupy the purchased home as a
16 primary residence within sixty days of closing.

17 e. The individual must have a minimum credit score of six
18 hundred forty. If an individual does not have a credit score,
19 nontraditional credit documentation may be submitted to the
20 authority as established by the authority by rule.

21 f. The individual's debt-to-income ratio must be no greater
22 than forty-five percent.

23 g. The individual, if applying for a conventional loan, must
24 complete homebuyer education as established by the authority
25 by rule.

26 h. The individual must contact an Iowa finance authority
27 participating lender.

28 4. An individual must submit an application for the program
29 in the form and manner as established by the authority by rule.

30 5. An individual who receives assistance under the
31 firsthome program may also participate in other loan and grant
32 programs administered by the authority if the individual
33 qualifies for the other loan or grant program.

34 6. The authority shall adopt rules pursuant to chapter 17A
35 as necessary to implement and administer this section.

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EXPLANATION

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The inclusion of this explanation does not constitute agreement with
the explanation's substance by the members of the general assembly.

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4 This bill codifies the firsthome program administered by
5 the Iowa finance authority and requires that the program
6 be administered by the authority to provide down payment
7 and closing cost assistance grants, second loans, free Iowa
8 title guaranty owner's certificates, or other assistance to
9 eligible first-time homebuyers. "First-time homebuyer" and
10 "second loan" are defined in the bill. The requirements for an
11 individual to qualify for the program are detailed in the bill.
12 The Iowa finance authority shall adopt rules as necessary to
13 implement and administer the bill.