

2025 -- H 5952

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND HOUSING
AND MORTGAGE FINANCE CORPORATION

Introduced By: Representatives Kazarian, Furtado, Dawson, DeSimone, and Alzate

Date Introduced: February 28, 2025

Referred To: House Municipal Government & Housing

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-55 of the General Laws entitled "Rhode Island Housing and
2 Mortgage Finance Corporation" is hereby amended by adding thereto the following section:

3 **42-55-31. Home ownership assistance account.**

4 (a) The home ownership assistance account is hereby created and administered by the
5 Rhode Island housing and mortgage finance corporation to expand this state's supply of
6 homeownership housing for families and individuals with income at or below area median income,
7 including persons over sixty-five (65) years of age, persons of color, indigenous persons, members
8 of federally recognized Indian tribes, persons with disabilities, veterans and agricultural workers.
9 An amount equal to twenty-five percent (25%) of monies deposited pursuant to § 34-13-7 shall be
10 dedicated for expenditure to expand this state's supply. The Rhode Island housing and mortgage
11 finance corporation shall have a policy of distributing these funds so collected statewide while
12 concentrating funds in those areas of this state with the greatest need, as determined by the
13 corporation.

14 (b) Funds in the home ownership assistance account shall be used for:

15 (1) Grants to organizations that provide down payment assistance;

16 (2) Grants to organizations that both sponsor and manage homeownership programs for
17 households with income at or below area median income; or

18 (3) Grants and technical assistance to organizations that, in working with households with

1 income at or below area median income, assist persons of color in obtaining homeownership.

2 (c) The corporation shall develop a policy for disbursing grants or technical assistance
3 under subsection (b) of this section for any or all of the following purposes:

4 (1) To aid homeownership programs for households with income at or below area median
5 income, including program administration, providing assistance with down payment costs, or
6 providing homeownership training and qualification services or any combination thereof. Funds in
7 the home ownership assistance account may not be used by an organization to pay for its general
8 operations that do not support homeownership.

9 (2) To match public and private monies available from other sources to provide
10 homeownership assistance for households with income at or below area median income.

11 (3) To administer the home ownership assistance account as provided for in the
12 legislatively approved budget.

13 (d) The council, in developing policy under subsection (c) of this section, shall give
14 preference in making grants to those entities that propose to:

15 (1) Ensure long-term affordability and opportunities for generational wealth building,
16 including through loan forgiveness or shared equity;

17 (2) Ensure the longest use for the units as homeownership housing units for households
18 with income at or below area median income, such as by including some form of equity recapture,
19 land trust or shared equity provisions, as determined by the council;

20 (3) Include services for occupants and proposed occupants of housing, including
21 homeownership training, mortgage qualification service and financial literacy; and

22 (4) Support a comprehensive strategy to reverse the decreasing rates of homeownership
23 among persons of color, giving priority to activities that support and incorporate best practices or
24 demonstrate proven success in increasing homeownership for persons of color.

25 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND HOUSING
AND MORTGAGE FINANCE CORPORATION

- 1 This act would provide for a home ownership assistance account administered by Rhode
- 2 Island housing and mortgage finance corporation to expand home ownership
- 3 This act would take effect upon passage.

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