

Effective 5/7/2025

63H-8-502 First-Time Homebuyer Assistance Program.

- (1) There is created the First-Time Homebuyer Assistance Program administered by the corporation.
- (2) Subject to appropriations from the Legislature, the corporation shall distribute program funds to:
 - (a) first-time homebuyers to provide support for the purchase of qualifying residential units; and
 - (b) reimburse the corporation for a distribution of funds under Subsection (2)(a) that took place on or after July 1, 2023.
- (3) The maximum amount of program funds that a first-time homebuyer may receive under the program is \$20,000.
- (4)
 - (a) A recipient may use program funds to pay for:
 - (i) the down payment on a qualifying residential unit;
 - (ii) closing costs associated with the purchase of a qualifying residential unit;
 - (iii) a permanent reduction in the advertised par interest rate on a qualifying mortgage loan that is used to finance a qualifying residential unit; or
 - (iv) any combination of Subsections (4)(a)(i), (ii), and (iii).
 - (b) The corporation shall direct the disbursement of program funds for a purpose authorized in Subsection (4)(a).
 - (c) A recipient may not receive a payout or distribution of program funds upon closing.
- (5) The builder or developer of a qualifying residential unit may not increase the price of the qualifying residential unit on the basis of program funds being used towards the purchase of that qualifying residential unit.
- (6)
 - (a) In accordance with rules made by the corporation under Subsection (9), the corporation may adjust the maximum purchase price of a qualifying residential unit for which a first-time homebuyer qualifies to receive program funds in order to reflect current market conditions.
 - (b) In connection with an adjustment made under Subsection (6)(a), the corporation may establish one or more maximum purchase prices corresponding by residential unit type, geographic location, or any other factor the corporation considers relevant.
 - (c) The corporation may adjust a maximum purchase price under this Subsection (6) no more frequently than once each calendar year.
- (7)
 - (a) Except as provided in Subsection (7)(b), if the recipient sells the qualifying residential unit or refinances the qualifying mortgage loan that was used to finance the purchase of the qualifying residential unit before the end of the original term of the qualifying mortgage loan, the recipient shall repay to the corporation an amount equal to the lesser of:
 - (i) the amount of program funds the recipient received; or
 - (ii) 50% of the recipient's home equity amount.
 - (b) Subsection (7)(a) does not apply to a qualifying mortgage loan that is refinanced with a new qualifying mortgage loan if any subordinate qualifying mortgage loan, or loan from program funds used on the purchase of the qualifying residential unit, is resubordinated only to the new qualifying mortgage loan.
- (8) Any funds repaid to the corporation under Subsection (7) shall be used for program distributions.
- (9) Subject to Subsection (9)(b), the corporation shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

- (a) governing the application form, process, and criteria the corporation will use to distribute program funds to first-time homebuyers; and
 - (b) subject to appropriations from the Legislature, establishing an incentive program for qualified borrowers to utilize funding from the subordinate shared appreciation loan program for the purposes of assisting with the purchase of construction liability insurance for a qualifying condominium project.
- (10) The corporation may use up to 5% of program funds for administration.
- (11) The corporation shall report annually to the Economic and Community Development Appropriations Subcommittee on disbursements from the program and any adjustments made to the maximum purchase price or maximum purchase prices of a qualifying residential unit under Subsection (6).

Amended by Chapter 464, 2025 General Session