

**SENATE BILL REPORT**

**HB 2115**

**AS OF MARCH 22, 1991**

**Brief Description:** Providing financial assistance for first-time home buyers.

**SPONSORS:** Representatives Nelson, Wineberry and Holland.

**HOUSE COMMITTEE ON HOUSING**

**SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS**

**Staff:** Rod McAulay (786-7754)

**Hearing Dates:**

**BACKGROUND:**

A proposed amendment to the Washington State Constitution, HJR 4228, would allow any county, city, or town to use public moneys or credit to assist first-time home buyers in acquiring their homes.

**SUMMARY:**

Counties, cities and towns are given the authority to assist moderate-income first-time home buyers in the purchase of their principal place of residence by providing loans, loan guarantees, down payment assistance, and closing costs.

The legislative body of the county, city, or town must authorize the use of funds to finance all or a portion of the cost of the home or to guarantee loans made to first-time home buyers.

To qualify for the assistance, the first-time home buyer must meet the following requirements:

- 1) The purchaser or purchasers could not have owned their principal place of residence for a three-year period prior to purchase of the home;
- 2) The purchaser's income cannot exceed 115 percent of county median income, as determined by the state Department of Community Development, adjusted for household size for the county where the property is located; and
- 3) The purchase price of the residence cannot exceed 90 percent of the average purchase price of single-family residences, as determined by the state Department of Community Development, in the area where the residence is located. The average purchase price is based on the most

recent 12-month period prior to the purchase of the residence.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested