



NEW YORK STATE SENATOR

Timothy M. Kennedy

Senator Kennedy Announces New Plan To Encourage Homeownership, Providing Help for Young Professionals with Student Loan Debt

TIMOTHY M. KENNEDY August 29, 2014

| ISSUE: **HOUSING, COMMUNITY DEVELOPMENT**



Kennedy's Legislation Will Help Save First-Time Homebuyers Thousands of Dollars, Entice Young Professionals to Plant Roots in Western New York.

New Legislation Provides for Discounted Interest Rates to Help Young Professionals Balance Buying a Home with Heavy Student Loan Debt Burdens.

BUFFALO, N.Y. – Senator Tim Kennedy met today with young professionals from Buffalo and Western New York at [dig, the collaborative workspace at the Innovation Center](#) on Ellicott Street, to discuss his new plan to encourage homeownership in local neighborhoods. Kennedy's proposal will provide new support to young professionals, who are often burdened with heavy student loan debt, to help them purchase new homes and grow their roots here in Western New York. It will help young families balance hefty student loan bills while making an investment in a home and paying a new mortgage.

“Stronger neighborhoods are often built by boosting homeownership. However, far too often, young families who want to buy homes cannot afford to make the investment while balancing heavy student loan debt payments and other rising costs like transportation and food,” said **Senator Tim Kennedy**. “It’s critical that we help young Western New Yorkers overcome the obstacles preventing them from the owning their own homes – which remains at the heart of the American Dream. With this new legislation, we’ll provide needed help for first-time homebuyers and encourage young professionals to put their roots down right here in Buffalo, where they can raise their family and take part in the renaissance our city is currently undergoing. Buffalo has over 20,000 empty homes, and this legislation will help return those houses to the hands of responsible homeowners who will help drive the development of our communities.”

The new legislation unveiled by Senator Kennedy will give prospective homeowners who graduated from college or attended another form of post-secondary education in the past seven years access to a discounted mortgage rate based upon the State of New York Mortgage Agency’s (SONYMA) Low-Interest Rate Program. Specifically, qualified applicants will receive an additional 1.5 percent discount on their interest rate below the standard Low-Interest Rate Program rate of five percent for ten years.

Kennedy estimates that this interest rate can save a buyer purchasing a \$70,000 home nearly \$7,000 over a ten-year period, lowering their estimated monthly payment from \$527 to \$470 for the ten-year life of the discount. In addition to requiring that applicants have completed post-secondary coursework within the past seven years, the legislation also requires the applicant to make under \$70,000 and for the purchased home to be located in an economically distressed census tract, defined by the Federal Government as having a poverty rate of at least 20 percent. The program will be accessible to anyone who has completed any post-secondary education including vocational or technical training, undergraduate studies or graduate school.

“Buffalo is filled with beautiful homes from generations past,” said **Bernice Radle of Buffalo’s Young Preservationists**. “Today, many Buffalo residents are rediscovering the inherent beauty and importance of our architecture however despite the upswing, there are still so many historic homes that can be saved from the wrecking ball, renovated, restored and returned to the hands of responsible homeowners. Senator Kennedy’s legislation is a great first step in the right direction and will encourage more young professionals to settle down in Buffalo, helping to save more of this amazing legacy we have inherited from previous generations.”

“This legislation is the shot in the arm that economically distressed areas of our city need,” said **Christie Rothschild, President of the Buffalo Niagara Association of Realtors**. “As a realtor, I know firsthand that young professionals want to live in the city, where they have easy access to public transportation, nightlife and newly-created good-paying jobs. Senator Kennedy’s legislation will help open up the dream of home ownership to a new generation of Buffalonians, and I urge the legislature to swiftly pass it into law.”

Kennedy’s legislation is a critical component of his overall efforts to strengthen area neighborhoods. In addition to this support for first-time homebuyers, Kennedy has also been pushing for legislation to crack down on irresponsible absentee landlords, investing in

weatherization and home renovation and fighting against “zombie foreclosures,” or properties abandoned and left vacant after banks commence foreclosures proceedings.

Kennedy’s new legislation will help to address several issues facing Western New York, including the exodus of college graduates from the City of Buffalo, blight created by vacant housing within the City, and the low rate of homeownership in distressed neighborhoods. This legislation aims to entice recent college graduates, who are often balancing rent and student loans, to make a long-term investment in Buffalo’s future by buying homes in disadvantaged areas of Western New York.

“The best way to combat vacant housing problems and irresponsible absentee landlords is by helping responsible, first-time homebuyers invest in our neighborhoods, and our legislation will do just that,” Kennedy said. “This will help keep families together here in Western New York as one more incentive to encourage young people to remain in their hometown, pursue careers and raise their own families here.”

While Buffalo is in the midst of an economic resurgence, it still faces a housing crisis. As of the 2010 Census, Buffalo’s housing stock had a vacancy rate of over 15 percent, with the 2012 American Community Survey reporting over 23,000 vacant housing units throughout the city. As economic growth continues to spread throughout the region and new jobs are created, Kennedy’s legislation aims to encourage more of these new workers to buy homes in the city.

###

Senator Timothy M. Kennedy represents the New York State Senate’s 63rd District, which is comprised of the town of Cheektowaga, the city of Lackawanna and nearly all of the city of Buffalo. More information is available at <http://kennedy.nysenate.gov>.