

SENATE BILL NO. 193—SENATORS DOÑATE, NEAL, SCHEIBLE, CANNIZZARO, OHRENSCHALL; CRUZ-CRAWFORD, DALY, DONDERO LOOP, FLORES, LANGE, NGUYEN, PAZINA AND TAYLOR

FEBRUARY 10, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Establishes a pilot program to reduce interest rates on mortgage loans to certain eligible families. (BDR 25-42)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Contains Appropriation not included in Executive Budget.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to housing; requiring the Housing Division of the Department of Business and Industry to establish a pilot program to buy down the interest rate on mortgage loans for certain eligible families; making an appropriation for the pilot program; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law authorizes the Housing Division of the Department of Business  
2 and Industry to enter into instruments, agreements and other transactions for certain  
3 purposes, including: (1) reducing or modifying the amount or duration of any  
4 payment, interest rate, spread or similar risk; and (2) lowering the cost of borrowing  
5 when used in combination with the issuance or carrying of bonds or investments.  
6 (NRS 319.167) **Section 1** of this bill requires the Division to establish a pilot  
7 program for certain eligible families, which is defined to include certain single  
8 persons or a person and his or her spouse, to buy down the interest rate of a  
9 mortgage loan for an owner-occupied residence for such an eligible family in this  
10 State. **Section 1** requires the eligible family to: (1) have obtained or be in the  
11 process of obtaining a mortgage loan on a residence for the eligible family; (2)  
12 qualify as a first-time homebuyer; (3) with certain exceptions, have a household  
13 income of not more than 160 percent of the median income for the county in this  
14 State in which the residence is located; and (4) meet certain underwriting criteria.  
15 **Section 1** further provides that an eligible family may apply to the Division to  
16 obtain a waiver of the household income requirement under certain circumstances.



17 **Section 2** of this bill makes an appropriation to the Division for the purpose of  
18 establishing and carrying out the pilot program.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 319 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3 *1. The Division shall, subject to the availability of funds*  
4 *appropriated for such a purpose, establish a pilot program for*  
5 *eligible families who meet the qualifications set forth in subsection*  
6 *3 to buy down the interest rate of a mortgage loan for an owner-*  
7 *occupied residence in this State for the eligible family that is*  
8 *obtained from any lending institution.*

9 *2. The pilot program established pursuant to subsection 1*  
10 *must, without limitation:*

11 *(a) Include a process for an eligible family to apply to*  
12 *participate in the program;*

13 *(b) Provide for a buy-down period for the mortgage loan which*  
14 *may be up to the entire duration of the mortgage loan; and*

15 *(c) Notify any eligible family who applies for the program of*  
16 *the maximum and estimated amount of increases in mortgage*  
17 *payments that a mortgage loan subject to the program will require.*

18 *3. Except as otherwise provided in subsection 4, an eligible*  
19 *family may receive assistance from the pilot program established*  
20 *pursuant to subsection 1 if the eligible family:*

21 *(a) Has obtained or is in the process of obtaining a mortgage*  
22 *loan from any lending institution for the purchase of an owner-*  
23 *occupied residence.*

24 *(b) Qualifies as a first-time homebuyer. An eligible family*  
25 *qualifies as a first-time homebuyer if the eligible family:*

26 *(1) Is a single person or a person and his or her spouse and*  
27 *the person or person and spouse, as applicable, has had no*  
28 *ownership interest in any residential real property at any time*  
29 *during the 3-year period immediately preceding the date on which*  
30 *a mortgage for the residence is or will be executed;*

31 *(2) Is a single person who is a displaced homemaker and,*  
32 *except for owning a home with his or her spouse or residing in a*  
33 *home owned by his or her spouse, meets the requirements of*  
34 *subparagraph (1); or*

35 *(3) Is a single person who is a single parent and who,*  
36 *except for owning a home with his or her spouse or residing in a*  
37 *home owned by his or her spouse while married, meets the*  
38 *requirements of subparagraph (1).*



1 (c) *Has a household income of not more than 160 percent of*  
2 *the median income for the county in this State in which the*  
3 *residence to be purchased is located.*

4 (d) *Meets any criteria for underwriting established by the*  
5 *lending institution.*

6 (e) *Meets any other requirement prescribed by the Division by*  
7 *regulation.*

8 4. *If an eligible family does not meet the household income*  
9 *requirement set forth in paragraph (c) of subsection 3, the eligible*  
10 *family may apply to the Division for a waiver if the eligible family*  
11 *provides evidence to the satisfaction of the Administrator of:*

12 (a) *A temporary income spike during the current calendar year*  
13 *resulting from, without limitation, a one-time bonus, overtime pay*  
14 *or a temporary job. Such evidence must include, without*  
15 *limitation, the federal tax returns for the household from the*  
16 *immediately preceding 2 calendar years.*

17 (b) *A change in household income resulting from life events,*  
18 *including, without limitation, a job loss or change, a pay*  
19 *reduction, new dependents or the loss of an income-earning*  
20 *member of the household. Such evidence must demonstrate that*  
21 *the federal tax returns of the household for the immediately*  
22 *preceding 2 calendar years do not reflect the current income of the*  
23 *household and may include, without limitation, a letter from an*  
24 *employer, employment termination documents, proof of*  
25 *unemployment benefits, a birth or adoption certificate, proof-of-*  
26 *care documents or a divorce decree.*

27 (c) *Discrepancies in the yearly income of the household*  
28 *resulting from self-employment. Such evidence must include,*  
29 *without limitation, federal tax returns, profit and loss statements*  
30 *or other tax forms from the immediately preceding 3 calendar*  
31 *fiscal years, as applicable, that demonstrate that the average*  
32 *income of the household for those previous years falls within the*  
33 *household income requirement set forth in paragraph (c) of*  
34 *subsection 3.*

35 (d) *A financial hardship resulting from long-term medical or*  
36 *disability expenses that is not reflected in the household income of*  
37 *the eligible family. Such evidence must include, without limitation,*  
38 *documentation of the medical expenses or disability.*

39 (e) *Errors in federal tax returns or other tax forms or tax*  
40 *adjustments. Such evidence may include, without limitation,*  
41 *corrected or amended federal tax returns or a letter from a tax*  
42 *preparer.*

43 5. *The Division shall adopt regulations to carry out the*  
44 *provisions of this section, which must include, without limitation:*



1 (a) *The requirements for a lending institution to participate in*  
2 *the program; and*

3 (b) *The procedures to apply for a waiver from the Division*  
4 *pursuant to subsection 4.*

5 6. *As used in this section:*

6 (a) *“Buy down” means reducing the effective interest rate of a*  
7 *mortgage loan charged to a purchaser of real property by making*  
8 *supplemental payments to the mortgage lender.*

9 (b) *“Displaced homemaker” has the meaning ascribed to it in*  
10 *42 U.S.C. § 12854.*

11 (c) *“Single parent” has the meaning ascribed to it in 42 U.S.C.*  
12 *§ 12854.*

13 **Sec. 2.** 1. There is hereby appropriated from the State  
14 General Fund to the Housing Division of the Department of  
15 Business and Industry the sum of \$10,000,000 for establishing and  
16 carrying out the pilot program to buy down interest rates on  
17 mortgage loans for eligible families required by section 1 of this act.

18 2. Any remaining balance of the appropriation made by  
19 subsection 1 must not be committed for expenditure after June 30,  
20 2027, by the entity to which the appropriation is made or any entity  
21 to which money from the appropriation is granted or otherwise  
22 transferred in any manner, and any portion of the appropriated  
23 money remaining must not be spent for any purpose after  
24 September 17, 2027, by either the entity to which the money was  
25 appropriated or the entity to which the money was subsequently  
26 granted or transferred, and must be reverted to the State General  
27 Fund on or before September 17, 2027.

28 **Sec. 3.** 1. This section and section 2 of this act become  
29 effective upon passage and approval.

30 2. Section 1 of this act becomes effective:

31 (a) Upon passage and approval for the purpose of adopting any  
32 regulations and performing any other preparatory administrative  
33 tasks that are necessary to carry out the provisions of this act; and

34 (b) On January 1, 2026, for all other purposes.

