New York State Association of REALTORS®, Inc.

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MEMORANDUM IN SUPPORT

S.1157 by Senator Jeremy Cooney
Status: Senate Finance Committee

A.5098 by Assemblymember Phil Ramos
Status: Assembly Housing Committee Agenda for May 20, 2026

Date: May 2026
Contact: Michael Kelly

Re: Support for a New York State First Home Savings Account program

The New York State Association of REALTORS®, Inc. (NYSAR) **strongly supports S.1157 (Cooney)/ A.5098 (Ramos)**, which would authorize prospective first-time home buyers to establish a savings account to be used solely for the purpose of purchasing a first home in New York State. The average median age of a first-time home buyer continues to climb, reaching historic highs, while the share of first-time home buyers in the market continues to fall. This dangerous trend is putting younger generations at a significant disadvantage for years to come, particularly when it comes to building generational wealth.

This legislation will create a state tax deductible savings account program for New York first-time home buyers, operating similar to the state's existing 529 College Savings program. Under this bill, deposits into a first-time home buyer savings account of up to $10,000 per year for couples filing jointly and $5,000 per year for individuals would be deductible from state income taxes, with a maximum contribution level of $100,000 over the life of the account. Deposited funds and any gains must be applied to the purchase of a first home (primary residence single-family home, townhome, condominium, or unit in a cooperative housing corporation) in New York State. The savings account would remain under the sole custody of the New York State Comptroller.

Similar legislation passed both houses of the legislature in 2017 (A.5616 Ramos/S.4058 Little) with strong bi-partisan support. The current bill makes technical changes to address an income cap and minimum length of time an account must be open before a qualified withdrawal. Taxpayers with an adjusted gross income that exceeds 250 percent of the area median income would not be eligible for the state tax deduction. Additionally, to avoid abuse of the deduction provisions of the bill, an account must be open for at least twelve months before a qualified withdrawal could be made.

Incentivizing home purchases through the proposed first-time home buyer savings account program will encourage residents to remain in New York and will provide the state with a return on its investment through tax revenue generated from the home purchase transaction, including sales taxes, property taxes, real estate transfer taxes, mortgage recording taxes, and income taxes.

Inventory of homes for sale in New York continues to tighten to an all-time low of 22,986 units in January 2026. The lack of supply is a major driver of the state's housing affordability crisis for both single-family homes and the rental market. As a result, the median sales price has risen 7.2 percent over the last year

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alone, marking 30 consecutive months of annual median price growth across the state. Additionally, New Yorkers pay among the highest closing costs in the nation. Many of these closing costs are fixed, which affects low- and moderate-income home buyers the most. Larger down payments allow borrowers to avoid higher interest rates and fees including private mortgage insurance (PMI). If enacted, this program would set the foundation to help future generations of New Yorkers overcome financial barriers to becoming homeowners and build generational wealth. Approval of this legislation would send a strong signal that New York believes that homeownership is still achievable and remains part of the American dream.

For the above stated reasons, the New State Association of REALTORS® **strongly supports S.1157(Cooney)/A.5098 (Ramos)** and urges its passage.

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