



132nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2026

Legislative Document

No. 2077

H.P. 1392

House of Representatives, January 7, 2026

An Act to Reduce the Cost of Purchasing a Home by Providing Grants to Reduce Mortgage Rates

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative FARRIN of Jefferson.

Cosponsored by Representatives: EATON of Deer Isle, Speaker FECTEAU of Biddeford, FROST of Belgrade, GOLEK of Harpswell, TERRY of Gorham, WEBB of Durham.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 30-A MRSA §4722, sub-§1, ¶GG,** as amended by PL 2021, c. 322, §2, is
3 further amended to read:

4 GG. In accordance with the credit for affordable housing established in Title 36,
5 section 5219-WW and in accordance with rules adopted under the Maine
6 Administrative Procedure Act:

7 (1) Allocate the credit;

8 (2) Administer and enforce the requirements of the credit; and

9 (3) Perform other functions and duties necessary for the proper administration of
10 the credit, including providing any necessary certifications and notices to taxpayers
11 and to the Department of Administrative and Financial Services, Bureau of
12 Revenue Services containing information required by the State Tax Assessor
13 necessary for determining eligibility and the amount of the credit for each taxable
14 year; ~~and.~~

15 Rules adopted under this paragraph are routine technical rules;

16 **Sec. 2. 30-A MRSA §4722, sub-§1, ¶HH,** as enacted by PL 2021, c. 322, §3, is
17 amended to read:

18 HH. Provide the joint standing committee of the Legislature having jurisdiction over
19 housing matters copies of any reports required to be submitted to the United States
20 Department of the Treasury or the Governor regarding the administration of the
21 emergency rental assistance programs established by Section 501 of Division N of the
22 federal Consolidated Appropriations Act, 2021 and Section 3201(a) of the federal
23 American Rescue Plan Act of 2021. Copies of any reports required to be submitted to
24 the United States Department of the Treasury or the Governor must be submitted to the
25 joint standing committee of the Legislature having jurisdiction over housing matters
26 no later than 7 days after the reports are submitted to the United States Department of
27 the Treasury or the Governor. If no such reports are required to be submitted to the
28 United States Department of the Treasury or the Governor, the Maine State Housing
29 Authority shall submit, beginning January 15, 2022 and annually thereafter, to the joint
30 standing committee of the Legislature having jurisdiction over housing matters a report
31 on any rental assistance distributed by the Maine State Housing Authority; and

32 **Sec. 3. 30-A MRSA §4722, sub-§1, ¶II** is enacted to read:

33 II. Administer a program that provides a grant of up to \$15,000 per home purchase for
34 the purpose of reducing the mortgage rate of a loan for the purchase of an owner-
35 occupied single-family residence by a person whose income at the time of the grant is
36 no greater than the income limits for qualified first-time home buyers established under
37 26 United States Code, Section 143. The Maine State Housing Authority may use funds
38 appropriated or allocated to the Maine State Housing Authority for a grant issued
39 pursuant to this paragraph.

40 **Sec. 4. 36 MRSA §5122, sub-§2, ¶BBB** is enacted to read:

41 BBB. For taxable years beginning on or after January 1, 2026, to the extent included
42 in federal adjusted gross income and to the extent otherwise subject to state income

tax, an amount equal to payments made to purchase private mortgage insurance for the taxpayer's primary residence located in this State. As used in this paragraph, "private mortgage insurance" has the same meaning as in Title 9-A, section 9-315, subsection 1, paragraph A.

SUMMARY

This bill:

1. Requires the Maine State Housing Authority to administer a program to provide grants of up to \$15,000 to persons with low income and moderate income for the purpose of decreasing the rate of a mortgage loan used to purchase an owner-occupied single-family residence. Current law allows the authority to refinance existing loans for the purpose of lowering mortgage payments or making home improvements for persons with low income; and
2. Allows a taxpayer an income tax deduction for payments made to purchase private mortgage insurance for that taxpayer's primary residence located in Maine.