



January 28, 2025

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## HOUSE BILL No. 1519

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DIGEST OF HB 1519 (Updated January 28, 2025 3:14 pm - DI 154)

**Citations Affected:** IC 5-20.

**Synopsis:** Workforce housing assistance program. Establishes the workforce housing assistance program (program). Establishes the workforce housing assistance revolving fund (fund) and continuously appropriates money in the fund to provide loans to eligible borrowers in connection with the purchase of residential property to be used for any combination of the following expenses: (1) Down payment assistance. (2) Payment of closing costs. (3) Payment for renovations. (4) Funding a permanent interest rate buydown. Provides that the Indiana housing and community development authority (IHCDA) shall administer the program and the fund. Defines an "eligible borrower" as a first time home buyer whose household income does not exceed 160% of the county's area median income in which the eligible borrower intends to purchase residential property. Defines a "first time home buyer" as an individual who has not, at any time during the three years preceding the date of the mortgage loan closing, had a present ownership interest in residential property. Defines "residential property" as the real property, including a single family dwelling  
(Continued next page)

**Effective:** July 1, 2025.

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### Miller D, Abbott, Moed

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January 21, 2025, read first time and referred to Committee on Financial Institutions.  
January 28, 2025, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 126.3.

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HB 1519—LS 6957/DI 129



## Digest Continued

together with any other improvements on the real property, sought to be purchased, in part, with the proceeds of a loan made from the fund by an eligible borrower for use as the eligible borrower's principal residence. Allows the IHCD to determine the amount of the loan that may be made from the fund to an eligible borrower. Specifies the criteria that the IHCD must use in making loans from the fund to eligible borrowers, including the term of the loan, the loan's status as a second mortgage secured by a lien in favor of the IHCD, and the maximum rate of interest for the loan. Requires the executive director of the IHCD to prepare an annual report on the fund's activities for the legislative council and the budget committee. Defines "community development financial institution". Provides that at least 5% of the money in the workforce housing assistance revolving fund must be set aside to be used for down payment assistance by a person accessing a first mortgage from an Indiana based community development financial institution.

**HB 1519—LS 6957/DI 129**



January 28, 2025

First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

## HOUSE BILL No. 1519

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A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-20-1-4, AS AMENDED BY P.L.73-2020,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2025]: Sec. 4. (a) The authority has all of the powers  
4 necessary or convenient to carry out and effectuate the purposes and  
5 provisions of this chapter, including the power:  
6 (1) to make or participate in the making of construction loans for  
7 multiple family residential housing under terms that are approved  
8 by the authority;  
9 (2) to make or participate in the making of mortgage loans for  
10 multiple family residential housing under terms that are approved  
11 by the authority;  
12 (3) to purchase or participate in the purchase from mortgage  
13 lenders of mortgage loans made to persons of low and moderate  
14 income for residential housing;  
15 (4) to make loans to mortgage lenders for the purpose of

HB 1519—LS 6957/DI 129



1           furnishing funds to such mortgage lenders to be used for making  
2 mortgage loans for persons and families of low and moderate  
3 income. However, the obligation to repay loans to mortgage  
4 lenders shall be general obligations of the respective mortgage  
5 lenders and shall bear such date or dates, shall mature at such  
6 time or times, shall be evidenced by such note, bond, or other  
7 certificate of indebtedness, shall be subject to prepayment, and  
8 shall contain such other provisions consistent with the purposes  
9 of this chapter as the authority shall by rule or resolution  
10 determine;  
11 (5) to collect and pay reasonable fees and charges in connection  
12 with making, purchasing, and servicing of its loans, notes, bonds,  
13 commitments, and other evidences of indebtedness;  
14 (6) to acquire real property, or any interest in real property, by  
15 conveyance, including purchase in lieu of foreclosure, or  
16 foreclosure, to own, manage, operate, hold, clear, improve, and  
17 rehabilitate such real property and sell, assign, exchange, transfer,  
18 convey, lease, mortgage, or otherwise dispose of or encumber  
19 such real property where such use of real property is necessary or  
20 appropriate to the purposes of the authority;  
21 (7) to sell, at public or private sale, all or any part of any mortgage  
22 or other instrument or document securing a construction loan, a  
23 land development loan, a mortgage loan, or a loan of any type  
24 permitted by this chapter;  
25 (8) to procure insurance against any loss in connection with its  
26 operations in such amounts and from such insurers as it may deem  
27 necessary or desirable;  
28 (9) to consent, subject to the provisions of any contract with  
29 noteholders or bondholders which may then exist, whenever it  
30 deems it necessary or desirable in the fulfillment of its purposes  
31 to the modification of the rate of interest, time of payment of any  
32 installment of principal or interest, or any other terms of any  
33 mortgage loan, mortgage loan commitment, construction loan,  
34 loan to lender, or contract or agreement of any kind to which the  
35 authority is a party;  
36 (10) to enter into agreements or other transactions with any  
37 federal, state, or local governmental agency for the purpose of  
38 providing adequate living quarters for such persons and families  
39 in cities and counties where a need has been found for such  
40 housing;  
41 (11) to include in any borrowing such amounts as may be deemed  
42 necessary by the authority to pay financing charges, interest on



- 1 the obligations (for a period not exceeding the period of  
2 construction and a reasonable time thereafter or if the housing is  
3 completed, two (2) years from the date of issue of the  
4 obligations), consultant, advisory, and legal fees and such other  
5 expenses as are necessary or incident to such borrowing;  
6 (12) to make and publish rules respecting its lending programs  
7 and such other rules as are necessary to effectuate the purposes of  
8 this chapter;  
9 (13) to provide technical and advisory services to sponsors,  
10 builders, and developers of residential housing and to residents  
11 and potential residents, including housing selection and purchase  
12 procedures, family budgeting, property use and maintenance,  
13 household management, and utilization of community resources;  
14 (14) to promote research and development in scientific methods  
15 of constructing low cost residential housing of high durability;  
16 (15) to encourage community organizations to participate in  
17 residential housing development;  
18 (16) to make, execute, and effectuate any and all agreements or  
19 other documents with any governmental agency or any person,  
20 corporation, association, partnership, limited liability company,  
21 or other organization or entity necessary or convenient to  
22 accomplish the purposes of this chapter;  
23 (17) to accept gifts, devises, bequests, grants, loans,  
24 appropriations, revenue sharing, other financing and assistance  
25 and any other aid from any source whatsoever and to agree to, and  
26 to comply with, conditions attached thereto;  
27 (18) to sue and be sued in its own name, plead and be impleaded;  
28 (19) to maintain an office in the city of Indianapolis and at such  
29 other place or places as it may determine;  
30 (20) to adopt an official seal and alter the same at pleasure;  
31 (21) to adopt and from time to time amend and repeal bylaws for  
32 the regulation of its affairs and the conduct of its business and to  
33 prescribe rules and policies in connection with the performance  
34 of its functions and duties;  
35 (22) to employ fiscal consultants, engineers, attorneys, real estate  
36 counselors, appraisers, and such other consultants and employees  
37 as may be required in the judgment of the authority and to fix and  
38 pay their compensation from funds available to the authority  
39 therefor;  
40 (23) notwithstanding IC 5-13, but subject to the requirements of  
41 any trust agreement entered into by the authority, to invest:  
42 (A) the authority's money, funds, and accounts;



1 (B) any money, funds, and accounts in the authority's custody;  
 2 and  
 3 (C) proceeds of bonds or notes;  
 4 in the manner provided by an investment policy established by  
 5 resolution of the authority;  
 6 (24) to make or participate in the making of construction loans,  
 7 mortgage loans, or both, to individuals, partnerships, limited  
 8 liability companies, corporations, and organizations for the  
 9 construction of residential facilities for individuals with a  
 10 developmental disability or for individuals with a mental illness  
 11 or for the acquisition or renovation, or both, of a facility to make  
 12 it suitable for use as a new residential facility for individuals with  
 13 a developmental disability or for individuals with a mental illness;  
 14 (25) to make or participate in the making of construction and  
 15 mortgage loans to individuals, partnerships, corporations, limited  
 16 liability companies, and organizations for the construction,  
 17 rehabilitation, or acquisition of residential facilities for children;  
 18 (26) to purchase or participate in the purchase of mortgage loans  
 19 from:  
 20 (A) public utilities (as defined in IC 8-1-2-1); or  
 21 (B) municipally owned gas utility systems organized under  
 22 IC 8-1.5;  
 23 if those mortgage loans were made for the purpose of insulating  
 24 and otherwise weatherizing single family residences in order to  
 25 conserve energy used to heat and cool those residences;  
 26 (27) to provide financial assistance to mutual housing  
 27 associations (IC 5-20-3) in the form of grants, loans, or a  
 28 combination of grants and loans for the development of housing  
 29 for low and moderate income families;  
 30 (28) to service mortgage loans made or acquired by the authority  
 31 and to impose and collect reasonable fees and charges in  
 32 connection with such servicing;  
 33 (29) subject to the authority's investment policy, to enter into  
 34 swap agreements (as defined in IC 8-9.5-9-4) in accordance with  
 35 IC 8-9.5-9-5 and IC 8-9.5-9-7;  
 36 (30) to promote and foster community revitalization through  
 37 community services and real estate development;  
 38 (31) to coordinate and establish linkages between governmental  
 39 and other social services programs to ensure the effective delivery  
 40 of services to low income individuals and families, including  
 41 individuals or families facing or experiencing homelessness;  
 42 (32) to cooperate with local housing officials and plan



1 commissions in the development of projects that the officials or  
2 commissions have under consideration;

3 (33) to prescribe, in accordance with IC 32-30-10.5-10(i), a list of  
4 documents that must be included under IC 32-30-10.5 as part of  
5 a debtor's loss mitigation package in a foreclosure action filed  
6 after June 30, 2011;

7 (34) to take actions necessary to implement its powers that the  
8 authority determines to be appropriate and necessary to ensure the  
9 availability of state or federal financial assistance; and

10 (35) to administer any program or money designated by the state  
11 or available from the federal government or other sources that is  
12 consistent with the authority's powers and duties.

13 The omission of a power from the list in this subsection does not imply  
14 that the authority lacks that power. The authority may exercise any  
15 power that is not listed in this subsection but is consistent with the  
16 powers listed in this subsection to the extent that the power is not  
17 expressly denied by the Constitution of the State of Indiana or by  
18 another statute.

19 (b) **This subsection does not apply to a loan made under**  
20 **IC 5-20-11.5.** The authority shall ensure that a mortgage loan acquired  
21 by the authority under subsection (a)(3) or made by a mortgage lender  
22 with funds provided by the authority under subsection (a)(4) is not  
23 knowingly made to a person whose adjusted family income, as  
24 determined by the authority, exceeds one hundred twenty-five percent  
25 (125%) of the median income for the geographic area involved.  
26 However, if the authority determines that additional encouragement is  
27 needed for the development of the geographic area involved, a  
28 mortgage loan acquired or made under subsection (a)(3) or (a)(4) may  
29 be made to a person whose adjusted family income, as determined by  
30 the authority, does not exceed one hundred forty percent (140%) of the  
31 median income for the geographic area involved. The authority shall  
32 establish procedures that the authority determines are appropriate to  
33 structure and administer any program conducted under subsection  
34 (a)(3) or (a)(4) for the purpose of acquiring or making mortgage loans  
35 to persons of low or moderate income. In determining what constitutes  
36 low income, moderate income, or median income for purposes of any  
37 program conducted under subsection (a)(3) or (a)(4), the authority shall  
38 consider:

39 (1) the appropriate geographic area in which to measure income  
40 levels; and

41 (2) the appropriate method of calculating low income, moderate  
42 income, or median income levels including:



- 1 (A) sources of;  
 2 (B) exclusions from; and  
 3 (C) adjustments to;  
 4 income.
- 5 (c) The authority, when directed by the governor, shall administer  
 6 programs and funds under 42 U.S.C. 1437 et seq.
- 7 (d) The authority shall identify, promote, assist, and fund:  
 8 (1) home ownership education programs; and  
 9 (2) mortgage foreclosure counseling and education programs  
 10 under IC 5-20-6;  
 11 conducted throughout Indiana by nonprofit counseling agencies that the  
 12 authority has certified, or by any other public, private, or nonprofit  
 13 entity in partnership with a nonprofit agency that the authority has  
 14 certified, using funds appropriated under section 27 of this chapter. The  
 15 attorney general and the entities listed in IC 4-6-12-4(a)(1) through  
 16 IC 4-6-12-4(a)(10) shall cooperate with the authority in implementing  
 17 this subsection.
- 18 (e) The authority shall:  
 19 (1) oversee and encourage a regional homeless delivery system  
 20 that:  
 21 (A) considers the need for housing and support services;  
 22 (B) implements strategies to respond to gaps in the delivery  
 23 system; and  
 24 (C) ensures individuals and families are matched with optimal  
 25 housing solutions;  
 26 (2) facilitate the dissemination of information to assist individuals  
 27 and families accessing local resources, programs, and services  
 28 related to homelessness, housing, and community development;  
 29 and  
 30 (3) each year, estimate and reasonably determine the number of  
 31 the following:  
 32 (A) Individuals in Indiana who are homeless.  
 33 (B) Individuals in Indiana who are homeless and less than  
 34 eighteen (18) years of age.  
 35 (C) Individuals in Indiana who are homeless and not residents  
 36 of Indiana.
- 37 SECTION 2. IC 5-20-11.5 IS ADDED TO THE INDIANA CODE  
 38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2025]:  
 40 **Chapter 11.5. Workforce Housing Assistance Program**  
 41 **Sec. 1. As used in this chapter, "AMI" refers to the area median**  
 42 **income for a county in which an eligible borrower seeks to**





- 1 purchase residential property.
- 2 Sec. 2. As used in this chapter, "authority" refers to the Indiana  
3 housing and community development authority created by  
4 IC 5-20-1-3.
- 5 Sec. 3. As used in this chapter, "community development  
6 financial institution" means an organization that has been certified  
7 as a community development financial institution by the federal  
8 Community Development Financial Institutions Fund, in  
9 accordance with the Riegle Community Development and  
10 Regulatory Improvement Act of 1994 (108 Stat. 2160, 12 U.S.C.  
11 4701 et seq.).
- 12 Sec. 4. As used in this chapter, "eligible borrower" means a first  
13 time home buyer whose household income does not exceed one  
14 hundred sixty percent (160%) of the county's AMI in which the  
15 eligible borrower intends to purchase residential property.
- 16 Sec. 5. As used in this chapter, "first time home buyer" means  
17 an individual who has not, at any time during the three (3) years  
18 preceding the date of the mortgage loan closing, had a present  
19 ownership interest in residential property.
- 20 Sec. 6. As used in this chapter, "fund" refers to the workforce  
21 housing assistance revolving fund established by section 10 of this  
22 chapter.
- 23 Sec. 7. As used in this chapter, "program" refers to the  
24 workforce housing assistance program established by section 9 of  
25 this chapter.
- 26 Sec. 8. As used in this chapter, "residential property" means the  
27 real property, including a single family dwelling together with any  
28 other improvements on the real property, sought to be purchased,  
29 in part, with the proceeds of a loan made from the fund by an  
30 eligible borrower for use as the eligible borrower's principal  
31 residence.
- 32 Sec. 9. The workforce housing assistance program is established  
33 for the purposes set forth in this chapter.
- 34 Sec. 10. (a) The workforce housing assistance revolving fund is  
35 established to make loans under this chapter to or for the benefit  
36 of eligible borrowers.
- 37 (b) The fund consists of the following:
- 38 (1) Appropriations to the fund from the general assembly.  
39 (2) Grants and gifts of money to the fund.  
40 (3) Repayments of loans from the fund, including interest,  
41 premiums, and penalties.
- 42 (c) The authority shall administer, hold, and manage the fund.



1           (d) The cost of administering the fund, in an amount not to  
2 exceed two percent (2%) of the money in the fund at the beginning  
3 of a state fiscal year, shall be paid from money in the fund.

4           (e) Money in the fund shall be used to make loans, in an amount  
5 determined by the authority, to eligible borrowers. An eligible  
6 borrower who receives a loan from the fund in connection with the  
7 purchase of residential property may use the proceeds for any  
8 combination of the following expenses:

9               (1) Down payment assistance.

10              (2) Payment of closing costs.

11              (3) Payment for renovations.

12              (4) Funding a permanent interest rate buydown.

13           (f) Loans from the fund must meet each of the following  
14 criteria:

15               (1) The loan must be used in conjunction with a first mortgage  
16 loan issued by a mortgage lender that is purchased by the  
17 authority.

18               (2) The loan shall be provided to the eligible borrower when  
19 the eligible borrower obtains a first mortgage loan as  
20 described in subdivision (1).

21               (3) The loan is a second mortgage that is subordinate to the  
22 first mortgage providing security for the eligible borrower's  
23 purchase of the residential property. The authority shall  
24 secure the amount of the loan from the fund by a lien on the  
25 eligible borrower's residential property as provided in section  
26 15 of this chapter.

27               (4) The interest rate of the loan may not exceed six percent  
28 (6%) or the interest rate of the first mortgage, whichever is  
29 lower.

30           (g) At least five percent (5%) of the money in the fund must be  
31 set aside to be used for down payment assistance by a person  
32 accessing a first mortgage from an Indiana based community  
33 development financial institution. If money in the fund is used for  
34 down payment assistance under this subsection, the following  
35 apply:

36               (1) The loan shall be distributed from the authority to the  
37 Indiana based community development financial institution  
38 to administer to their loan purchaser.

39               (2) The loan shall revolve back to the Indiana based  
40 community development financial institution and be  
41 maintained by that community development financial  
42 institution.



1           **(h) Money in the fund may not be used to provide a loan to an**  
 2 **eligible borrower for the purchase of property other than**  
 3 **residential property.**

4           **(i) Money in the fund is continuously appropriated for the**  
 5 **purposes of this chapter.**

6           **(j) Money in the fund at the end of a state fiscal year does not**  
 7 **revert to the state general fund.**

8           **Sec. 11. (a) The authority shall invest the money in the fund in**  
 9 **accordance with an investment policy adopted by the authority.**  
 10 **Interest, premiums, gains, or other earnings from the investments**  
 11 **shall be credited to and deposited in the fund.**

12           **(b) As an alternative to subsection (a), the authority may invest**  
 13 **or cause to be invested all or a part of the fund in a fiduciary**  
 14 **account or accounts with a trustee that is a financial institution.**  
 15 **Notwithstanding any other law, any investment may be made by**  
 16 **the trustee in accordance with one (1) or more trust agreements or**  
 17 **indentures. A trust agreement or indenture may permit**  
 18 **disbursement by the trustee to:**

19                   **(1) an eligible borrower;**

20                   **(2) the authority; or**

21                   **(3) any person to which the authority or an eligible borrower**  
 22 **is obligated, as provided in the trust agreement or indenture.**

23           **Sec. 12. This chapter does not require the authority to provide**  
 24 **a loan to any eligible borrower to the extent the authority**  
 25 **determines the loan is not in the best interests of the program and**  
 26 **the authority.**

27           **Sec. 13. The authority shall do the following under this chapter:**

28                   **(1) Administer and manage the program.**

29                   **(2) Prepare and provide program information or program**  
 30 **guides to eligible borrowers and mortgage lenders.**

31                   **(3) Conduct or cause to be conducted an evaluation as to the**  
 32 **financial ability of each eligible borrower to pay the loan.**

33           **Sec. 14. The authority shall prescribe the form on which a**  
 34 **prospective borrower may apply for a loan from the fund in**  
 35 **connection with the purchase of residential property. The form**  
 36 **prescribed under this section must include all information and**  
 37 **documents that the authority considers necessary to determine**  
 38 **whether the borrower is an eligible borrower.**

39           **Sec. 15. The authority may also establish any other terms and**  
 40 **conditions that the authority considers necessary or convenient to**  
 41 **make loans under this chapter.**

42           **Sec. 16. The authority shall secure the amount of the loan made**



1 from the fund to an eligible borrower by a lien on the eligible  
2 borrower's residential property for a period of at least fifteen (15)  
3 years and not more than thirty (30) years. The lien shall attach,  
4 and may be perfected, collected, and enforced in the same manner  
5 as a first mortgage on the eligible borrower's residential property,  
6 and shall otherwise have the same force and effect as a first  
7 mortgage lien.

8 Sec. 17. Not later than August 1, 2026, and not later than August  
9 1 of each year thereafter, the executive director of the authority  
10 shall prepare for the budget committee established by IC 4-12-1-3  
11 and the legislative council a report that includes the following:

12 (1) Information concerning the loans made available to  
13 eligible borrowers from the fund during each fiscal year.

14 (2) Any other information requested by the budget committee  
15 and the legislative council.

16 The report to the legislative council must be in an electronic format  
17 under IC 5-14-6.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1519, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 7, between lines 4 and 5, begin a new paragraph and insert:

**"Sec. 3. As used in this chapter, "community development financial institution" means an organization that has been certified as a community development financial institution by the federal Community Development Financial Institutions Fund, in accordance with the Riegle Community Development and Regulatory Improvement Act of 1994 (108 Stat. 2160, 12 U.S.C. 4701 et seq.)."**

Page 7, line 5, delete "3." and insert "4."

Page 7, line 9, delete "4." and insert "5."

Page 7, line 13, delete "5." and insert "6."

Page 7, line 14, delete "9" and insert "10".

Page 7, line 16, delete "6." and insert "7."

Page 7, line 17, delete "8" and insert "9".

Page 7, line 19, delete "7." and insert "8."

Page 7, line 25, delete "8." and insert "9."

Page 7, line 27, delete "9." and insert "10."

Page 8, line 9, delete "not".

Page 8, between lines 22 and 23, begin a new paragraph and insert:

**"(g) At least five percent (5%) of the money in the fund must be set aside to be used for down payment assistance by a person accessing a first mortgage from an Indiana based community development financial institution. If money in the fund is used for down payment assistance under this subsection, the following apply:**

**(1) The loan shall be distributed from the authority to the Indiana based community development financial institution to administer to their loan purchaser.**

**(2) The loan shall revolve back to the Indiana based community development financial institution and be maintained by that community development financial institution."**

Page 8, line 23, delete "(g)" and insert "(h)".

Page 8, line 26, delete "(h)" and insert "(i)".

Page 8, line 28, delete "(i)" and insert "(j)".

Page 8, line 30, delete "10." and insert "11."



Page 9, line 3, delete "11." and insert "**12.**".  
Page 9, line 7, delete "12." and insert "**13.**".  
Page 9, line 13, delete "13." and insert "**14.**".  
Page 9, line 19, delete "14." and insert "**15.**".  
Page 9, line 22, delete "15." and insert "**16.**".  
Page 9, line 30, delete "16." and insert "**17.**".  
Page 9, delete lines 40 through 42.  
Delete page 10.

and when so amended that said bill do pass.

(Reference is to HB 1519 as introduced.)

TESHKA

Committee Vote: yeas 11, nays 1.

