

LOUISIANA HOUSING CORPORATION

Jeff Landry
Governor

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March 18, 2024

2024 A/B PROGRAM BULLETIN

TO: PARTICIPATING LENDERS
FROM: LOUISIANA HOUSING CORPORATION
RE: 2024 A/B SINGLE FAMILY PROGRAM NOTICE

Attached is a program notice for the 2024 A/B Program.

Beginning at 2:00 PM, on Monday March 18, 2024 we will continue and begin accepting reservations of funds for the LHC Tax Exempt, Taxable, CDBG-Assisted and HOME/MRB Program through our website at www.lhc.la.gov.

THE RESERVATION PROCESS

The Single Family Team will monitor the reservation and compliance processes. The telephone number for inquiries is 225-763-8700.

A new reservation will not be issued or honored in the 2024 A/B Program if the borrower has an existing confirmed reservation in one of the Corporation's current programs or if the borrower has a reservation in an existing Program that is **cancelled, expires, or is withdrawn within 30 days** of the start of this program.

Confirmation of reservations will occur on line. Should there be a problem with your reservation you will be contacted by a member of the Single Family Staff. A complete compliance package must be received by LHC within 40 days from the date the reservation is confirmed.

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MEMORANDUM

To: Participating Lenders

From: Louisiana Housing Corporation

Date: March 18, 2024

Re: Louisiana Housing Corporation
Single Family Mortgage Revenue Bonds
2024 A/B Program

PROGRAM NOTICE

In April 2024, the Louisiana Housing Corporation will deliver the above captioned bonds to finance the purchase of GNMA/FNMA/Freddie Mac Certificates backed by mortgage loans to be originated by Lenders participating in the Corporation's 2024 A/B Program. **The borrower's investment will be regulated by the particular type of loan being made – FHA, VA, RD or Conventional. There will be no origination or discount points charged to the borrower. Lenders will be compensated upon delivery of loans to Master Servicer at a rate of 2.00% of the loan amount.**

The 2024 A/B Schedule of Program Limitations/Requirements accompanying this letter sets forth key dates, interest rates and other information relating to the 2024 A/B Program. Please note the following important features of this program:

Assisted Program - \$79,500,000 - will initially bear interest at **6.39% for Conventional Mortgages and 6.19% for Government Mortgage**. Assistance payments equal to 4% of the Mortgage Loan amount will be paid at closing to cover part of the down payment and closing costs. The program is subject to rate changes as deemed by the market. Lenders should check rates daily.

****“Keys for Service” - First Responders (Police, Firefighters, Nurses and Paramedics) and Teachers’ Assisted Program - \$11,000,000** – will initially bear interest at **6.52% for Conventional Mortgages and 6.32% for Government Mortgages**. Assistance payments equal to 4% of the Mortgage Loan amount will be paid at closing to cover part of the down payment and closing costs. Lenders should check rates daily.

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To qualify for this special set-aside, the borrower must 1) be an active, full time employee of a city, parish, or state police, or firefighter; or 2) be a full time, licensed and employed paramedic; 3) be an active, regular, full time teacher of a parish, city, state, or private school board, holding a Louisiana teacher's certificate and whose employment requires such a certificate; 4) full time active licensed nurses including inpatient, outpatient, ambulatory, correctional facilities, post-acute care, hospice, public health, occupational health, school nurses (working in K-12), nurse consultants, and those working in Schools of Nursing and Allied Health (Faculty).

Borrowers **do not have to be first time homebuyers**, but must certify that this property will be their primary residence and they cannot own additional residential property. The annual income limit for all parishes is \$125,000.00

NOTE: Lenders desiring to participate in the special First Responders and Teacher's Assisted Program must execute the Louisiana Housing Corporation **Program Lender Agreement – Single Family Bond Program (Taxable)** attached to this notice as Exhibit A – prior to reserving a loan under the set aside. Lenders will also be required to execute Exhibit V – Lender Mortgage Loan Closing Certification post-closing.

HOME/MRB Program - \$1,000,000 - will initially bear interest at **5.85% for Conventional Mortgages and 5.65% for Government Mortgages**. Assistance payments equal to 5% to 9% of the Mortgage Loan amount will be paid at closing to cover part of the down payment and closing costs. The program is subject to rate changes as deemed by the market. Lenders should check rates daily.

CDBG Assisted Program - \$10,000,000 - will initially bear interest at **5.94% for Conventional Mortgages and 5.74% for Government Mortgages**. Down payment assistance toward the purchase price will be the lesser of \$55,000 or 20% of the purchase price of the home. Closing cost assistance of up to \$5,000 will be paid at closing.

These funds are available in the following designated parishes: Acadia, Allen, Beauregard, Ascension, Assumption, Caddo, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Union, Washington, West Baton Rouge, West Feliciana, Vermilion, Vernon and Winn.

Borrowers must be first time homebuyers and the property cannot be located in a flood zone. The program is subject to rate changes as deemed by the market. Lenders should check rates daily.

CDBG Builder Assisted Set-Aside Program - \$10,000,000 - will initially bear interest at **5.89% for Conventional Mortgages and 5.69% for Government Mortgages**. Down payment assistance toward the purchase price will be the lesser of \$55,000 or 20% of the purchase price of the home. Closing cost assistance of up to \$5,000 will be paid at closing. These funds may be

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reserved by qualifying builders, licensed by the Louisiana State Licensing Board for Contractors on a first come, first served basis until May 31, 2024, provided that no single builder, including its affiliates, shall be able to reserve more than \$2,500,000 initially. For a limited period of time, qualified builders may reserve CDBG-Assisted Loan principal amounts in \$100,000 increments by paying a 2.00% reservation fee on the CDBG-Assisted Loan amount reserved. Funds will be reserved for the builder for a period of approximately six (6) months; should a builder need more time, such reservation may be extended for an additional period of time of up-to approximately six (6) additional months for an extension fee as so determined by LHC. Builders desiring to participate in the program, must complete and fully execute Exhibit BR – Builder Reservation Set Aside Program (attached to this Notice) and submit the required fees as indicated. This set aside is designed to alleviate the lack of affordable housing inventory in certain parishes in the state and to incentivize home builders to build new homes in such designed parishes. Should there be insufficient interest in the Builder set aside program as demonstrated by a lack of builder reservations/participation, beginning on April 15th builders who have already reserved an initial allotment of \$2,500,000 may be given the option to reserve additional CDBG **Builder** Assisted Set Aside Program funds until such date as determined by LHC, but in no event later than June 15, 2024, or the un-reserved loan principal shall otherwise revert to the general CDBG Assisted Program.

Once builders have reserved their specified allotment of funds, lenders shall submit an Exhibit K – Reservation Request to singlefamily@lhc.la.gov for the individual borrower's reservation. Lenders **must receive** written confirmation from LHC acknowledging that funds have been reserved for the specific borrower.

These funds are available in the following designated parishes: Acadia, Allen, Beauregard, Ascension, Assumption, Caddo, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Union, Washington, West Baton Rouge, West Feliciana, Vermilion, Vernon and Winn.

Borrowers must be first time homebuyers and the property cannot be located in a flood zone. The program is subject to rate changes as deemed by the market. Lenders should check rates daily.

Lenders' Compensation

In support of a zero point/zero discount loan format for all loans, the Master Servicer will pay to lenders a **2.00%** lender fee plus amounts sufficient to reimburse Assistance Payments on Assisted Loans. PLEASE NOTE: MORTGAGE LOANS, INCLUDING THE LENDER MORTGAGE LOAN CLOSING CERTIFICATE (EXHIBIT V) NOT SUBMITTED TO THE Master Servicer within 31 days of closing will be assessed a late fee of .25% which will result in a reduction of the purchase price of the mortgage loan. The Master Servicer will not purchase a mortgage loan submitted more than 45 days following closing.

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Waiver of the First-Time Homebuyer Rule

The first-time homebuyer rules are **waived** for the First Responders and Teacher Assisted Program.

Under the Assisted Program, the first-time homebuyer rules are **waived if**:

1. An individual who is a displaced homemaker and has only owned with a spouse.
2. A single parent who has only owned with a former spouse while married.
3. Targeted areas as reflected on **Exhibit P** (does not apply to HOME/MRB loans).

Exhibits

Current purchase price limits, income limits and bond documents and checklist can be referenced, downloaded and completed at [Resources for Homeownership \(la.gov\)](https://www.la.gov).

2024 A/B PROGRAM LIMITATIONS/REQUIREMENTS

Program Type	MRB Assisted	HOME/MRB	"Keys for Service" - First Responders and Teachers	CDBG Assisted (General Public)	CDBG Assisted Builder Set- Aside
Program Dollar Amount	\$79,500,000	\$1,000,000	\$11,000,000	\$10,000,000	\$10,000,000
Conventional Loan Rate	6.39%	5.85%**	6.52%	5.94%	5.89%
Government Loan Rate	6.19%	5.65%**	6.32%	5.74%	5.69%
Assistance Provided	4%	5% to 9% based on mortgage amount	4%	Up to \$55,000 or 20% DPA plus \$5000 closing cost	Up to \$55,000 or 20% DPA plus \$5,000 closing cost
Loan Term	30 Years	30 years	30 years	30 years	30 years
Start Date	03/18/24	03/18/24	03/18/24	03/18/24	03/18/24-5/31/24

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5/3Compliance Package Delivery Deadlines*	40 days from reservation date	40 days from reservation date	40 days from reservation date	40 days from reservation date	40 days from reservation date
Loan Closing Deadlines	75 days from reservation date	75 days from reservation date	75 days from reservation date	75 days from reservation date	75 days from reservation date
Mortgage Loan Sale Date	100 days from reservation date	100 days from reservation date	100 days from reservation date	100 days from reservation date	100 days from reservation date
Code Compliance Fee	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Number of Living Units	1	1	1	1	1

All types of loans are allowed in each program - FHA, VA, RD, & Conventional.

*The Compliance Package for each loan must be received by Louisiana Housing Corporation within forty (40) days from the date of the Confirmation of Reservation. The loan must close within seventy-five (75) days from the date of Confirmation of Reservation, but in no event later than the deadlines specified.

**Until all HOME/MRB loans are originated in the prior issue.

Exhibit BR

LHC 2024AB CDBG-ASSISTED BUILDER SET-ASIDE PROGRAM

Instructions: Builder or authorized representative of builder wishing to reserve 2024AB CDBG-Assisted Loan principal amounts, in \$100,000 increments up-to-\$2,500,000, should complete this form and return it via email to singlefamily@lhc.la.gov.

Forms should be returned as soon as possible, but no later than May 30, 2024, as the \$10,000,000 of 2024AB CDBG-Assisted Loan principal available to be reserved by qualified builders shall be 03/18/24

allocated on a first-come, first-served basis to the extent funds remain available prior to May 31, 2024. Please contact our office should you need assistance.

Builder Information:

Corporate Name of Builder:

Street Address:

City: _____ State: _____ Zip Code: _____

Telephone: _____

Alternate Telephone: _____

Fax Number: _____

Email: _____

Is Builder Licensed by the Louisiana State Licensing Board for Contractors?:

YES ____ / NO ____

2024AB CDBG Principal Amount Requested to be Reserved (in \$100k increments):

\$ _____

Has Builder included a check payable to “Louisiana Housing Corporation” in an amount equal to 2.0% of the 2024AB CDBG Principal Amount requested above to be reserved?

YES ____ / NO ____

Builder Representative Signature: I certify that the information provided on this form is complete and accurate to the best of my knowledge.

Name and Title: _____

Signature: _____

Date: _____

=====

For LHC Office Use Only:

DATE FORM RECEIVED: _____

SIGNATURE: _____

TITLE: _____

COMMENTS: _____

Information Verified: _____