

2026 Regular Session

HOUSE BILL NO. 794

BY REPRESENTATIVE JORDAN

HOUSING: Creates the Louisiana First-Generation Homebuyer Assistance Act

1 AN ACT

2 To enact Part I of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, to be  
3 comprised of R.S. 40:600.121 through 600.128, relative to the Louisiana First-  
4 Generation Homebuyer Assistance Program; to provide for purpose; to provide for  
5 definitions; to provide for the Louisiana First-Generation Homebuyer Assistance  
6 Program; to provide for eligibility requirements; to provide for assistance terms; to  
7 provide for participating lenders; to provide for outreach; to provide for annual  
8 reporting; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Part I of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of  
11 1950, comprised of R.S. 40:600.121 through 600.128, is hereby enacted to read as follows:

12 PART I. THE LOUISIANA FIRST-GENERATION HOMEBUYER ASSISTANCE

13 ACT

14 §600.121. Short title; purpose

15 A. This Part shall be known and may be cited as the "Louisiana  
16 First-Generation Homebuyer Assistance Act."

17 B. The purpose of this Part is to expand homeownership in communities  
18 historically excluded from wealth-building through homeownership by providing  
19 down payment and closing cost assistance to first-generation homebuyers.

20 §600.122. Definitions

1           For the purposes of this Part, the following terms have the following  
2           meanings:

3           (1) "Area median income" or "AMI" means the median household income  
4           for the applicable metropolitan statistical area or rural area as determined annually  
5           by the U.S. Department of Housing and Urban Development.

6           (2) "Corporation" means the Louisiana Housing Corporation.

7           (3) "First-generation homebuyer" means an individual who is one of the  
8           following:

9           (a) Has not owned a primary residence at any time during the three years  
10           preceding the date of application and whose parents or legal guardians did not own  
11           a primary residence during the applicant's childhood, prior to age eighteen, as  
12           documented by the applicant.

13           (b) Grew up in the foster care system or without permanent housing during  
14           childhood, regardless of parental homeownership status.

15           (4) "Program" means the Louisiana First-Generation Homebuyer Assistance  
16           Program.

17           (5) "Qualified mortgage" means a mortgage loan made by a participating  
18           lender that meets the corporation's underwriting guidelines, does not involve a  
19           balloon payment in the first ten years, and bears an interest rate no more than two  
20           percentage points above the average prime offer rate for comparable transactions.

21           (6) "Targeted census tract" means a census tract identified by the corporation  
22           as having a homeownership rate at least twenty percentage points below the  
23           statewide average homeownership rate, based on the most recent American  
24           Community Survey data.

25           §600.123. Program establishment; funding

26           A. There is hereby established the Louisiana First-Generation Homebuyer  
27           Assistance Program, to be administered by the corporation.

28           B. The program shall be funded by:

1           (1) An initial appropriation of fifteen million dollars from the Louisiana  
2           Capital Outlay Fund.

3           (2) Repayments of assistance upon sale, refinance, or transfer of the assisted  
4           property.

5           (3) Federal HOME Investment Partnerships Program funds and Community  
6           Development Block Grant funds allocated for homeownership assistance.

7           (4) Private contributions and foundation grants.

8           §600.124. Eligibility requirements

9           A. To qualify for assistance under this program, an applicant shall do all of  
10          the following:

11          (1) Meet the definition of first-generation homebuyer pursuant to R.S.  
12          40:600.122(3).

13          (2) Have a household income that does not exceed one hundred twenty  
14          percent of the applicable AMI, provided that at least fifty percent of annual program  
15          funds are reserved for applicants at or below eighty percent of AMI.

16          (3) Demonstrate the ability to obtain and repay a qualified mortgage for the  
17          purchase of a primary residence in this state.

18          (4) Complete a HUD-approved homebuyer education course of not fewer  
19          than eight hours prior to closing.

20          (5) Agree to occupy the purchased home as their primary residence for a  
21          period of at least five years.

22          (6) Not own any other real property at the time of closing.

23          B. Priority shall be given to applicants purchasing homes in targeted census  
24          tracts as defined in R.S. 40:600.122(5).

25          §600.125. Assistance terms; recapture provisions

26          A. Assistance under this program shall be provided in the form of a soft  
27          second mortgage as follows:

28          (1) Maximum assistance: Twenty-five thousand dollars per qualified buyer  
29          or the actual down payment and closing costs, whichever is less.

1           (2) The assistance shall be structured as a deferred, forgivable loan with a  
2           zero percent interest rate.

3           (3) The loan shall be forgiven in full if the recipient occupies the property  
4           as their primary residence for the full five-year period.

5           (4) If the recipient sells, refinances, or transfers the property before the end  
6           of the five-year occupancy period, the assistance shall be repaid to the program on  
7           a pro-rated basis: one-fifth of the outstanding balance forgiven for each complete  
8           year of occupancy.

9           B. The assistance outlined in this Section may be used for any of the  
10          following:

11           (1) A down payment on the purchase of a primary residence.

12           (2) Mortgage loan closing costs.

13           (3) Pre-paid homeowner's insurance and property taxes at closing.

14           (4) Costs of required home inspections.

15          §600.126. Participating lenders

16           The corporation shall certify participating lenders and shall require them to  
17          do all of the following:

18           (1) Commit to offering qualified mortgage products to program applicants.

19           (2) Ensure loan officers who work with program applicants complete fair  
20          lending and implicit bias training annually.

21           (3) Submit quarterly data on applications, approvals, and denials by  
22          applicant race, income, and census tract.

23           (4) Maintain a commitment to community outreach in targeted census tracts.

24          §600.127. Marketing and outreach

25           A. The corporation shall implement a proactive outreach campaign  
26          specifically targeting communities with historically low homeownership rates,  
27          including African American, Hispanic, and rural communities.

1            B. Outreach shall include partnerships with churches, community  
2            organizations, Historically Black Colleges and Universities, employers, and social  
3            service agencies.

4            C. All program materials shall be available in English and Spanish at a  
5            minimum.

6            §600.128. Annual reporting

7            The corporation shall publish an annual report detailing the number of  
8            applicants, awards, denials, and completed closings; the geographic and demographic  
9            breakdown of recipients; the total amount disbursed and recaptured; and the impact  
10           on homeownership rates in targeted census tracts over time.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 794 Original

2026 Regular Session

Jordan

**Abstract:** Provides relative to the Louisiana First-Generation Homebuyer Assistance Act..

Proposed law provides for the "Louisiana First-Generation Homebuyer Assistance Act."

Proposed law provides for purpose.

Proposed law defines "area median income" or "AMI", "corporation", "first-generation homebuyer", "qualified mortgage", and "targeted census tract".

Proposed law provides for the establishment of the Louisiana First-Generation Homebuyer Assistance Program, to be administered by the corporation.

Proposed law provides for how the program shall be funded.

Proposed law provides that to qualify for assistance under this program, an applicant shall do all of the following:

- (1) Meet the definition of first-generation homebuyer pursuant to present law.
- (2) Have a household income that does not exceed 120% of the applicable AMI, provided that at least 50% of annual program funds are reserved for applicants at or below 80% of AMI.
- (3) Demonstrate the ability to obtain and repay a qualified mortgage for the purchase of a primary residence in this state.
- (4) Complete a HUD-approved homebuyer education course of not fewer than eight hours prior to closing.

- (5) Agree to occupy the purchased home as their primary residence for a period of at least five years.
- (6) Not own any other real property at the time of closing.

Proposed law provides for priority.

Proposed law provides that assistance under this program shall be provided in the form of a soft second mortgage as follows:

- (1) Maximum assistance: \$25 thousand per qualified buyer or the actual down payment and closing costs, whichever is less.
- (2) The assistance shall be structured as a deferred, forgivable loan with a zero percent interest rate.
- (3) The loan shall be forgiven in full if the recipient occupies the property as their primary residence for the full five-year period.
- (4) If the recipient sells, refinances, or transfers the property before the end of the five-year occupancy period, the assistance shall be repaid to the program on a pro-rated basis: one-fifth of the outstanding balance forgiven for each complete year of occupancy.

Proposed law provides for what the assistance outlined in proposed law may be used for.

Proposed law provides that the corporation shall certify participating lenders and shall require them to do all of the following:

- (1) Commit to offering qualified mortgage products to program applicants.
- (2) Ensure loan officers who work with program applicants complete fair lending and implicit bias training annually.
- (3) Submit quarterly data on applications, approvals, and denials by applicant race, income, and census tract.
- (4) Maintain a commitment to community outreach in targeted census tracts.

Proposed law provides that the corporation shall implement a proactive outreach campaign specifically targeting communities with historically low homeownership rates, including African American, Hispanic, and rural communities.

Proposed law provides that the corporation shall publish an annual report detailing the number of applicants, awards, denials, and completed closings; the geographic and demographic breakdown of recipients; the total amount disbursed and recaptured; and the impact on homeownership rates in targeted census tracts over time.

(Adds R.S. 40:600.121-600.128)