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## DIGEST

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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)