



**LAGNIAPPE ADVANTAGE PROGRAM
(LAP)**

UPDATED AS OF 2/1/2018

LAP PROGRAM DESCRIPTION	Competitive 30-year fixed rate, fully amortizing mortgage with 0%-6% assistance grant for either down payment and/or closing costs. Calculated as a percentage of the loan amount to qualifying home buyers for a Freddie Mac HFA Advantage loan.
GRANT TERMS	No repayment / No recapture / No 2nd lien.
ELIGIBLE LOAN AREA	The LAP program is currently available for the purchase of a residence located within Jefferson, St. Tammany, St. Charles and St. Bernard Parishes.
LOAN SERVICING	Loan is serviced by Standard Mortgage Corporation, the program master servicer.
MORTGAGE LOAN RATES	The loan rate available will change periodically to stay competitive with the market rate. Please note that the loan rate will change depending on the % DPA option. The loan rate will be lowest for the 0% DPA option. Borrowers should contact a participating lender for the current mortgage rate.
ELIGIBLE LOAN PRODUCT	Freddie Mac's Home Possible Advantage for HFAs; Lenders must have access to Freddie Mac's AUS System, Loan Product Advisor (LPA). Lenders do not need to be direct seller servicers to Freddie Mac. All loans must receive an approval from Freddie Mac's LPA to qualify for the Lagniappe Advantage Program.
ELIGIBLE BORROWERS AND OCCUPANCY	<p>No first-time homebuyer requirement. No Borrower may own another residence at time of closing; non-occupying co-borrowers and co-signers are not permitted; Borrowers must permanently reside in the U.S. and must occupy the property as their primary residence within 60 days after closing.</p> <p>Note: Regarding ownership interest, the following exceptions apply:</p> <p>a) The borrower inherited their ownership interest in the property and shares ownership with another</p>

	<p>party;</p> <p>b) The borrower owns the property with another party and the debt associated with the property was assigned to the other party by court order;</p> <p>c) The borrower is a cosigner/guarantor on the related mortgage debt and someone other than the borrower has made payments on the debt associated with the property for the most recent 12 months, as documented with copies of canceled checks or a statement from the lender.</p>
TRANSACTION TYPES	Purchase only. Loan refinancing is not eligible and interim construction loan financing is not provided.
QUALIFYING INCOME LIMITS	CURRENTLY NO INCOME LIMITS FOR THE ELIGIBLE LOAN AREA AT THIS TIME.
ELIGIBLE PROPERTIES	One unit primary residences including condos, PUDs, and townhomes; manufactured homes are not eligible.
HOME ACQUISITION COST LIMIT	\$424,100.00
MINIMUM CREDIT SCORE	640.
PARTICIPATING LENDERS	<p>A list of approved participating lenders can be obtained from the Jefferson Parish Finance Authority office or on our website at www.jpfinanceauthority.com.</p> <p>Only approved banks or mortgage companies can reserve funds for and close a LAP loan.</p> <p>Contact JPFA if you would like to become a participating lender.</p>
MANUAL UNDERWRITING	Not permitted with this program.
MAXIMUM LTV	97% LTV / 105% TLTV when combined with an Affordable Second that meets Freddie Mac guidelines.
LP OFFERING IDENTIFIER	Home Possible Advantage for HFAs
LAP SUBSIDY FOR LOWER AMI BORROWERS	<p>A Borrower whose income falls below certain limits will receive additional closing cost assistance at closing.</p> <ul style="list-style-type: none"> • 50.00% or less of Area Median Income will receive 2 points of additional assistance; and • 50.01% - 80.00% of Area Median Income will receive ½ point of additional assistance. <p>The amount of additional assistance will be based on the total loan amount, and may be used toward down payment and borrower's closing costs. (The Subsidy isn't considered a lender credit, though it is fronted to the borrower by the lender at closing.)</p>

	Please contact JPFA for data regarding Area Median Income by parish.
BORROWER CONTRIBUTION/SOURCE FUNDS/RESERVE REQUIREMENTS	No minimum contribution from Borrower's personal funds is required. Cash on Hand is an acceptable source of funds – follow Freddie Mac guidelines. No reserves required. No cash back at time of closing.
PROGRAM COSTS	No program related fees. Lender may collect from the borrower its usual and customary costs, but the lender may not charge the borrower any origination and/or discount fees.
MORTGAGE INSURANCE	The Home Possible Advantage for HFAs offers reduced MI options. The current MI coverage levels for HFA Advantage are 18% at 97% LTV; 16% at 95% LTV; 12% at 90% LTV; and 6% at 85% LTV.
MORTGAGE INSURER	Any mortgage insurer must be approved by Freddie Mac and must offer to insure HFA Advantage.
HOMEBUYER EDUCATION	When all borrowers are first time homebuyers, at least one homebuyer is required to have completed a homeownership education program. Eligible education program information to be provided by participating lenders.
COMBINING WITH OTHER ASSISTANCE PROGRAMS	Subject to Freddie Mac, Standard Mortgage and/or mortgage insurer requirements, the Lagniappe Advantage Program may be combined with other forms of assistance; Examples include, but are not limited to CDBG, HOME funds, and Mortgage Credit Certificates (MCCs), etc. In all cases, the most conservative guidelines for each program will apply.
LOAN PRICING AND DELIVERY	JPFA will post rates daily and distribute to lenders via email and/or posting on their webpage. Loan registrations are made via the servicer, Standard Mortgage Corporation, website during the posted lock periods. Loans are to be delivered in a fundable condition as instructed by the servicer.
RESERVATION CANCELLATION/INELIGIBILITY	A borrower whose mortgage loan reservation is cancelled is ineligible to participate in this program during the period beginning with cancellation of the reservation and ending one hundred twenty (120) days after cancellation of a reservation unless (1) this prohibition is waived for a specific borrower or (2) the cancellation is due to the failure of the residence to qualify.
COMPLETION OF EXHIBITS	Within 20 days from the initial mortgage reservation, Exhibit C must be submitted to Standard Mortgage. In connection with each loan closing, Exhibit D-Down

	Payment Assistance Letter must be completed and submitted to the Authority for signature. Prior to closing, Exhibit E-Down Payment Assistance Funding Request must be completed and submitted to the Authority with the required documents.
TIMELINES	The requirements and timelines set forth in Section 2.01 of the Mortgage Origination, Sale and Servicing Agreement are critical.

*****JPFA GUIDELINES DO NOT SUPERSEDE, NOR ARE THEY A SUBSTITUTE FOR FREDDIE MAC, STANDARD MORTGAGE, MORTGAGE INSURER AND/OR LENDER GUIDELINES IN PLACE AT THE TIME THE LOAN IS UNDERWRITTEN.*****

FOR QUESTIONS OR FURTHER INFORMATION, PLEASE CONTACT JPFA EXECUTIVE DIRECTOR:

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