



Comfort of Home

Program Updates as of February 6, 2023

Background

- Jefferson Parish Finance Authority is continually looking for ways to support homebuyers in Louisiana.
- The mortgage market has made it difficult to offer higher levels of down payment assistance (DPA).
- JPFA is rolling out a new second loan product within its Comfort of Home program to offer relevant DPA options to lenders, realtors and borrowers.



Comfort of Home

- 30-year, fixed rate first mortgages
 - FHA, VA, USDA, Freddie Mac HFA Advantage or Fannie Mae HFA Preferred
 - Limited 203(k) Mortgage (FHA)
- Up to **4%** down payment and closing cost assistance provided to borrower(s) in form of second mortgage
 - Assistance is in the form of a 0% interest, deferred **second mortgage**
 - **Forgiven** after 15 years
- Servicer: US Bank
- Program Administrator: eHousing



What is a forgivable second mortgage?

- Lien placed on the property for a specific amount of time
 - For 15 years from the date of closing
- After the 15th anniversary of closing, the lien is forgiven
 - Borrower(s) will not owe any portion of assistance received
- Borrowers may still sell or refinance their home within the 15-year period
 - They will simply owe the full amount of assistance back
- The second mortgage has a 0% interest rate and no scheduled payments
 - It is considered a deferred loan with no interest due



What does deferred mean?

- There are NO scheduled payments on the second mortgage
 - The second mortgage has a 0% interest rate
- Borrower(s) make NO payments on the assistance during first 15 years UNLESS:
 - First mortgage is paid off
- If borrower(s) refinance or sells the property within first 15 years of ownership, borrower(s) will owe the full amount of assistance received and NO interest.
- After 15 years, the assistance is fully forgiven



Comfort of Home Basics

- Borrowers Must Be Credit Qualified:
 - 640+ for Conventional/USDA/VA, 660+ for FHA with max 45% DTI
 - 680+ for All Types with max 50% DTI
- Borrowers Must Be Within Income Limits:
 - < \$114,520 program limit
 - < \$65,440 for <80% AMI conventional options
- Homes Purchased Must Be Within Approved Areas:
 - Jefferson, St. Charles, St. Tammany, St. Bernard, and Plaquemines Parishes
- Purchases and Refinances Allowed
- First-time and Repeat Borrowers



Heroes to Homeowners

- \$2,500 Grant, must be combined with other JPFA programs
 - Non-repayable
- Enhance DPA offered to Designated Borrowers:
 - Educational professionals
 - 1st responders
 - Healthcare professionals
 - Military personnel and veterans
- Jefferson Parish Only



Questions?

Thank you!
The success of this program depends on YOU.

- For additional assistance:

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