



# Comfort of Home

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Program Updates as of April 18, 2024

# Background

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- 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

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- 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 5 years
- Servicer: US Bank
- Program Administrator: eHousing



# What is a forgivable second mortgage?

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- Lien placed on the property for a specific amount of time
  - For 5 years from the date of closing
- After the 5<sup>th</sup> 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 5-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?

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- 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 5 years UNLESS:
  - First mortgage is paid off
- If borrower(s) refinances or sells the property within first 5 years of ownership, borrower(s) will owe the full amount of assistance received and NO interest.
- After 5 years, the assistance is fully forgiven



# Comfort of Home Basics

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- 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:
  - < \$121,520 program limit
  - < \$69,440 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

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



# Questions?

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

- For additional assistance:

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