



Louisiana Housing Finance Agency

2009 NCSHA Annual Awards for Program Excellence

Entry Description

Program Name: Grants for Grads Program
Category and Subcategory: Special Achievement
HFA: Louisiana Housing Finance Agency

The citizenry of Louisiana is fiercely loyal to its state and the things that make it unique. Whether it's rooting for a professional football team that has been mired in mediocrity for 40+ years (until just recently), or doggedly rebuilding their beloved coastal cities after devastating hurricanes. But that loyalty is being challenged as economic opportunities present themselves across state lines.

According to the American Community Survey, conducted by the U.S. Census Bureau, Louisiana's population dropped from 4.5 million in 2000 to 4.29 million in 2007. And nearly 55 percent of residents leaving the state in 2006 were under the age of 30¹.

Louisiana Governor Bobby Jindal commented on these findings, "People love this state. The reason they are leaving is because of lack of educational and lack of economic opportunities. It is key to improving our quality of life and moving our state forward to be able to provide the opportunities to keep our people home."²

One of the ways the state's leaders are trying to keep their people home is by helping them buy one. In the summer of 2008, Louisiana Representative Neil Abramson introduced legislation, later signed by Governor Jindal, which created the Grants for Grads Program. This program essentially provides grant awards to Louisiana college graduates who have shown their commitment to the state by remaining for five years following graduations. The grant awards are to be used toward down payment and closing costs on a permanent residence within the state.

Act Number 748 of the 2008 Regular Session reads in part: "The future success of the society and economy of Louisiana is dependent upon a diverse population, including citizens of all ages and educational backgrounds, and in particular, those who have completed a higher

¹ Bove, K. (2008, December 4). Study: Grads seek work in the South. *The Daily Reveille*, pp. 1, 19.

² Bove, K. (2008, December 4). Study: Grads seek work in the South. *The Daily Reveille*, pp. 1, 19.

education...Home ownership reflects a commitment to remain in Louisiana and to continue the tradition and culture of our great state for the graduate and his family.”

The program’s goal is not only to help graduates buy homes, but to help the state as a whole.

“It’s kind of the American dream to buy your first home. To the extent that we could assist someone with buying their first home, I think that’s a wonderful thing that the state should do,” said Abramson. “On the other hand, someone who is showing the commitment to stay here for five years and then to buy a home is showing a commitment to not only stay here but to raise their family here and to be a part of Louisiana for the future.”³

The Grants for Grads Program is uniquely structured. The eligibility requirements are:

- The individual must have received either an associate, baccalaureate, or masters/postgraduate degree on or after January 1, 2008 AND;
- Resident of Louisiana at time of high school graduation OR
- Out-of-state graduate of an accredited school whose parent was a Louisiana resident at the time of applicant’s graduation and who resides in Louisiana at the time of registration in the program.

A graduate meeting these requirements has 60 days from graduation to register with the Louisiana Housing Finance Agency. Once qualified, the next step is for the graduate to live and work within the state for a minimum of five years. Beginning in 2013, the LHFA will begin conducting lottery drawings of registered participants that have met their 5 year commitment. One hundred individuals will be selected each year.

The amount of the grant awards is tied to the funding source for the program, in another innovative nuance. The grant will equal the total state income tax paid by the qualified applicant during the five year period, with a maximum award of \$10,000 per single individual and a maximum award of \$15,000 per married couple.

“We’re looking at it in terms of the participants are getting back their state taxes that they’ve paid,” said LHFA Program Administrator Brenda Evans. “It’s like a tradeoff because the whole purpose of the program is really making an investment in Louisiana. The home buying process is an important part of keeping graduates in our state.”

To date, the LHFA has received over 300 applications, with nearly 200 potentially approved applicants. This is following the first two graduation seasons after the program was put in place. Numbers are expected to continue to increase as more graduating classes are made aware of its existence.

³ Maloney, S. (2008, December 1). Grants for Grads targets brain drain. *New Orleans City Business* .

The Grants for Grads Program has also presented additional opportunities for the LHFA. The agency's Public Information Section has worked closely with its Single Family Department to advertise and promote the program on college campuses throughout the state via print ads in school newspapers, local television and radio outlets, and especially at school functions.

"We were able to attend many pre-graduation seminars and functions where we were able to promote the program and inform the graduates about what was available," said Jeff DeGraff, LHFA Public Information Director. "Many were interested in signing up for the Grants for Grads Program, but some felt they may be ready to purchase a home sooner than in five years. So we were able to promote our other first time homebuyer programs as well. It was also a great way to introduce the concepts of becoming financially prepared for homeownership, so hopefully they can make informed decisions in the future."

Derrick Dartez is a student at Louisiana State University. While he was born and raised in the state, he says his future is uncertain. "Kids go to school here, then opportunities after are limited," he said. When presented with details about the Grants for Grads Program, he seemed more encouraged. "I believe it's great. I just want to know how to register for it!"⁴

In its current form, the Grants for Grads Program is a pilot program. The LHFA is hopeful that the response from the public will encourage lawmakers to extend the program even further to continue to promote homeownership.

LHFA President Milton Bailey summed up the program this way, "Each year our state college and universities produce great minds and talented individuals, and we certainly want to retain them here in the great state of Louisiana.

⁴ Nelson, K. (2008, July 14). *www.wafb.com*. Retrieved from WAFB-TV:
<http://www.wafb.com/Global/story.asp?s=8649360&clienttype=printable>