

Creating New Pathways to Homeownership: Keys for Service

Louisiana Housing Corporation

Homeownership: Empowering New Buyers

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Making Homeownership Tangible for Our Public Servants

Our communities are only as strong as the individuals that show up daily to build and sustain them. The Louisiana Housing Corporation (LHC) recognized the need for empowering and supporting a new buyer class with emphasis on a holistic benefit. The thought was simple, our teachers, police, firefighters, and medical personnel work every day to educate, protect and save members of our communities and in many cases facing unique challenges when it comes to homeownership. Demanding schedules, added financial stress, saving for a down payment and closing costs can make the dream of owning a home seem out of reach. Utilizing overtime in these workspaces is often needed to meet basic financial needs. The [Keys for Service](#) program was created to bridge that gap and make it easier and more affordable for our community heroes to purchase their dream homes. The LHC is proud to say that this program meets the needs of Louisianans and illustrates what happens as Housing Finance Agencies (HFA's) continue to think outside of the box to create opportunity.

Expanded Access

The LHC has a standing history of issuing tax exempt bonds to provide housing finance opportunities for Louisianans, however the LHC recognized the need and the opportunity to grow the scope and address the needs of a missing sector of homeowners. This led to the LHC's pursuit of taxable bonds. The Keys for Service program was made available through the issuance of taxable bonds, thereby removing the income limits associated with tax exempt bonds. The use of taxable bonds allowed flexibility for a higher household income eligibility, making room for our community heroes overtime income, and not penalizing them for earning to cover costs. The program began with a household income of up to \$110,000 annually to purchase of a single family primary residence. As demand grew and the eligible buyer pool was expanded to provide for covering the need, the annual income cap was increased to \$125,000 in household income. In addition to obtaining a below market interest rate, borrowers receive closing costs and down payment assistance up to 4% of the loan amount. The program is designed to assist homebuyers across the spectrum, both first time homebuyers and existing homeowners seeking new primary homes. The LHC works with participating lenders and real estate professionals to ensure the process is as seamless as possible.

Creating New Interest in Expanded Access

To be eligible, the borrower must have full time employment in an eligible category as outlined. Not certain of interest, LHC launched the Keys for Service program for teachers, police officers, firefighters, emergency responder personnel and tele-communicators. LHC began to receive interest from both lending partners and eligible buyers alike. To date, the initial offering is over prescribed by \$500,000. This increased interest from medical and allied health professionals led the LHC to issue its second taxable bond offering for \$10 million. Through increased education of

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lenders and realtors led by LHC's Homeownership department and the expanded eligible borrowers, the LHC staff is proud to say we are adhering to a call from our board of directors to increase reach, impact and growing personal wealth for Louisianans.

In addition to added constituent interest, the LHC noted revived interest from realtors, lenders and union representatives interested in opening access for their members. The work of the statewide informational road show and the launch of the Keys for Service program has directly led to a long term partnership with the Louisiana Realtors Association that includes joint promotion and partner education for the member realtors. As realtors have pushed the program offering, there are new partnership interest from lending institutions which include community banks and credit unions offering the product.

Teachers, police and firefighter unions are helping the LHC through speaking and engagement opportunities at monthly meetings to educate their members on the program and its benefits thereby increasing interest, participation and knowledge of the LHC.



1 LHC ED Hollins on Louisiana Morning News

KEYS FOR SERVICE

The Keys for Service program is now available to provide **down payment and closing cost assistance**.

ELIGIBILITY

- ✓ Active, full-time firefighters
- ✓ Active, full-time licensed paramedics
- ✓ Active, full-time, public safety telecommunications
- ✓ Active, full-time teachers of a city, parish, state, or private school board; must hold a Louisiana teacher's certification
- ✓ Active, full-time employees of hospitals, offices of physicians, pharmacies, drug stores, outpatient care centers, nursing care facilities, and assisted living centers

Visit lhc.la.gov/keysforservice to learn more.

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