

Disaster Recovery Initiative
U.S. Department of Housing and Urban Development (HUD)
[Docket No. FR-5051-N-01]
Federal Register / Volume 71, Number 29
Department of Defense Appropriations Act, 2006

**Louisiana Office of Community Development/Disaster Recovery Unit,
(OCD-DRU)
Division of Administration**

***Non-substantial* Action Plan Amendment No. 69 (First Appropriation)
And
Non-substantial Action Plan Amendment No. 27 (Second Appropriation)
Small Rental Soft Second Mortgage Program
(as written in Amendment No. 24 and 50 (First Allocation)
and Amendment No. 9 (Second Appropriation))**

-- Removal of Restriction on Identity of Seller

Submitted to HUD: July 10, 2019

HUD Approved: July 15, 2019



**Jon Bel Edwards
Governor**

**Billy Nungesser
Lieutenant Governor**

**Jay Dardenne
Commissioner of Administration**

**Office of Community Development
150 N. 3rd Street, Suite 700
Baton Rouge, LA 70801
P.O. Box 94095
Baton Rouge, LA 70804-9095
<http://www.doa.louisiana.gov/cdbg/cdbg.htm>**

Non-substantial Action Plan Amendment Number 69 to Katrina/Rita First Appropriation

And

Non-substantial Action Plan Amendment Number 27 to Katrina/Rita Second Appropriation

Small Rental Soft Second Mortgage Program – Removal of Restriction Relative to Seller of Real Estate to be Acquired

Activity Amount: No funds involved

The Small Rental Soft Second Mortgage Program was initially detailed in Louisiana's Action Plan Amendment Number 24 and amended by non-substantial amendment 50 (First Appropriation), and Action Plan Amendment number 9 (Second Appropriation). The program provides a special initiative designed to promote homeownership and to expand housing opportunities for existing low and moderate-income homebuyers (with a waiver to allow up to 120% AMI). The activities associated with this initiative includes acquiring one-family and two-family properties located within the 13 Parishes suffering the most severe damage to their rental housing stocks.

The purpose of this Action Plan Amendment is to remove a restriction relating to the seller of real estate to be acquired. As initially, proposed, eligible beneficiaries would purchase properties from developers that had been provided funding for rehabilitation of damaged property transferred from the Louisiana Land Trust. APA 54 removed the reference to the property having been in the inventory of the Louisiana Land Trust. This Action Plan Amendment further clarifies that the sale of property to eligible purchasers is not required to be from specific developers funded by CDBG funds to rehabilitate homes.

There is no change to the applicant eligibility or the budget. Borrowers intending to purchase one-family and two-family properties are eligible for assistance; there is no requirement that the borrowers utilizing this assistance purchase homes associated with the inventory of Louisiana Land Trust (LLT) or designated by the Parish. This amendment is also to clarify that soft second mortgage assistance can also be provided directly to homebuyers through Direct Homebuyer Assistance. This APA does not change the CDBG-DR subsidies offered on a competitive basis to qualified developers who were able to provide a completed affordable home to a homebuyer.