

2026 Regular Session

HOUSE BILL NO. 1133

BY REPRESENTATIVE DANA HENRY

HOUSING: Creates the Dream Starter Act

1 AN ACT

2 To enact R.S. 39:100.257 and R.S. 40:600.121, relative to the Dream Starter Program; to
3 establish the program to provide assistance to eligible applicants with costs
4 associated with buying a home; to provide for definitions; to provide for eligibility
5 requirements; to provide for assistance terms; to provide for annual reporting; to
6 create the First-Generation Homebuyer Assistance Fund within the state treasury; to
7 provide for funding; to provide for the duties and authority of the Louisiana Housing
8 Corporation; to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. This Act shall be known and may be cited as the "Dream Starter Act".

11 Section 2. R.S. 39:100.257 is hereby enacted to read as follows:

12 §100.257. The First-Generation Homebuyer Assistance Fund; purpose

13 A. There is hereby created in the state treasury, a special fund, the First-
14 Generation Homebuyer Assistance Fund, hereinafter referred to in this Section as the
15 "fund".

16 B. After compliance with the requirements of Article VII, Section 9(B) of
17 the Constitution of Louisiana relative to the Bond Security and Redemption Fund,
18 the treasurer shall deposit into the fund monies transferred or appropriated by the
19 legislature, and any grants, donations, gifts, or other monies which may become
20 available.

1 C. Monies in the fund shall be invested in the same manner as monies in the
2 state general fund. Interest earned on investment of monies in the fund shall be
3 credited to the fund. Unexpended or unencumbered monies in the fund at the end of
4 the fiscal year shall remain in the fund.

5 D. Monies in the fund shall be appropriated to the Louisiana Housing
6 Corporation for the purposes of the Dream Starter Program as provided in R.S.
7 40:600.121.

8 Section 3. R.S. 40:600.121 is hereby enacted to read as follows:

9 §600.121. Dream Starter Program

10 A. The legislature hereby finds and declares that expanding sustainable
11 homeownership strengthens workforce stability, local tax bases, and long-term
12 household wealth and that residents without generational wealth or prior exposure
13 to homeownership face barriers that are not fully addressed by income screening
14 alone.

15 B. For the purposes of this Section, the following terms have the following
16 meanings:

17 (1) "First-time homebuyer" means an individual who has not held an
18 ownership interest in residential real estate within the previous three years.

19 (2) "First-generation homebuyer" means a first-time homebuyer who has not
20 previously held sole ownership of residential real estate and who meets one or more
21 additional criteria established by rules promulgated by the corporation pursuant to
22 this Section.

23 (3) "Principal residence" means an owner-occupied residential dwelling,
24 including a single-family residence and other owner-occupied residential structures
25 recognized by rules promulgated by the corporation pursuant to this Section.

26 (4) "Corporation" means the Louisiana Housing Corporation.

27 C.(1) There is hereby established the Dream Starter Program, to be
28 administered by the corporation for the purpose of creating a targeted and
29 accountable program to expand access to first-generation homeownership.

1 (2) The program shall be funded through the First-Generation Homebuyer
2 Assistance Fund as provided in R.S. 39:100.257.

3 (3) The corporation may coordinate the program with existing state and local
4 homeownership programs and may partner with private lenders, nonprofit
5 organizations, and housing counselors.

6 D. The program shall provide forgivable loans to eligible applicants for the
7 following:

8 (1) Down payment assistance.

9 (2) Closing costs.

10 (3) Mortgage insurance.

11 (4) Interest rate buy-downs.

12 (5) Any other allowable costs established by the corporation by rule.

13 E. To qualify for assistance under the program, an applicant shall do all of
14 the following:

15 (1) Meet the definition of first-time homebuyer or first-generation
16 homebuyer as provided in this Section.

17 (2) Complete homebuyer education and financial counseling approved by the
18 corporation.

19 (3) Occupy the property as a principal residence for the period of time
20 established by the corporation by rule.

21 F. The corporation shall establish income thresholds and prioritization
22 criteria, with priority considerations for first-generation homebuyers and other
23 applicants identified in this Section.

24 G. The corporation shall submit a report to the legislature no later than
25 February first each year detailing participation, geographic distribution, loan
26 performance, and program outcomes.

27 H. The corporation shall implement safeguards including income
28 verification, occupancy verification, and recapture provisions for noncompliance.

1 Section 3. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1133 Original

2026 Regular Session

Dana Henry

Abstract: Creates the Dream Starter Program for the purposes of providing homeownership assistance and creates the First-Generation Homebuyer Assistance Fund for the purpose of funding the program.

Proposed law provides for the creation of the First-Generation Homebuyer Assistance Fund within the state treasury. Provides that the fund shall be comprised of monies transferred or appropriated by the legislature, and any grants, donations, gifts, or other monies which may become available. Provides that monies in the fund shall be invested in the same manner as monies in the state general fund, with interest earned on investment of monies in the fund being credited to the fund and unexpended or unencumbered monies in the fund at the end of the fiscal year remaining in the fund.

Proposed law requires monies in the fund to be appropriated to the La. Housing Corp. for the purposes of proposed law.

Proposed law provides for the "Dream Starter Act." Provides for purpose.

Proposed law defines "first-time homebuyer", "first-generation homebuyer", "principal residence", and "corporation".

Proposed law provides for the establishment of the Dream Starter Program, to be administered by the corporation. Provides that the program shall be funded through the First-Generation Homebuyers Assistance Fund.

Proposed law provides that to qualify for assistance under the program, an applicant shall do all of the following:

- (1) Meet the definition of first-time homebuyer or first-generation homebuyer pursuant to proposed law.
- (2) Complete homebuyer education and financial counseling approved by the corporation.
- (3) Occupy the property as a principal residence for the period of time established by the corporation.

Proposed law requires the corporation to submit a report to the legislature by Feb. 1st each year detailing participation, geographic distribution, loan performance, and program outcomes.

Proposed law requires the corporation to implement safeguards including income verification, occupancy verification, and recapture provisions for noncompliance.

(Adds R.S. 39:100.257 and R.S. 40:600.121)