

**CITY OF LOS ANGELES HOUSING DEPARTMENT
HOME OWNERSHIP UNIT
MODERATE INCOME PURCHASE ASSISTANCE PROGRAM**

(At this time the Moderate Income Purchase Assistance Program has been canceled.)

The City of Los Angeles Housing Department (LAHD) offers purchase assistance financing to eligible first-time, moderate-income homebuyers seeking to purchase a home in the City of Los Angeles. LAHD provides assistance in the form of a loan for purchase assistance (down payment and closing costs).

LAHD LOAN LIMITS

Down payment Assistance and Closing Costs

- ❖ Mod 120-Up to **\$75,000** for households earning between 81%-120% of area median income
- ❖ Mod 150-Up to **\$50,000** for households earning between 121%-150% of area median income

PROGRAM REQUIREMENTS

- ❖ Applicants must be a first-time homebuyer, defined as someone who has not had an ownership interest in a property at any time during the last three (3) years.
- ❖ Applicants must attend an 8 or 12 hour Homebuyer Education Class provided by one of LAHD's Approved Homebuyer Education Providers (see Approved List).
- ❖ Total household income of all adults 18 years of age or older who will be living in the home must be at or below the limits shown on the table below.

2008 MAXIMUM INCOME LIMITS

Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Moderate 120	\$63,650	\$72,750	\$81,850	\$90,950	\$98,250	\$105,500	\$112,800	\$120,050
Moderate 150	\$79,600	\$90,950	\$102,350	\$113,700	\$122,800	\$131,900	\$141,000	\$150,100

(For larger household size limits, please contact LAHD)

LAHD LOAN TERMS

- ❖ Deferred, requiring no monthly payments
- ❖ Zero percent (0%) interest on purchase assistance loan portion
- ❖ Shared Appreciation (see Shared Appreciation Example Sheet)
- ❖ Loan is due on sale, title transfer, first mortgage repayment, or in 30 years as a balloon payment
- ❖ Refinancing of first mortgage is allowed by LAHD under certain conditions

DOWNPAYMENT REQUIREMENT

- ❖ A minimum of three percent (3%) of purchase price is required as down payment. **However, if the Applicant attends a 12-hour homebuyer education class from an LAHD Approved Homebuyer Education Provider, then the Applicant may contribute as little as one (1%) percent as down payment.**

ELIGIBLE PROPERTIES

- ❖ One unit, single family residences including town homes and condos.
- ❖ Home must be located in the City of Los Angeles (See List of LA Communities).
- ❖ Homebuyer must occupy the home as their primary residence.
- ❖ The property selected does not require an LAHD inspection.

HOME VALUE LIMITS

- ❖ Single Family Homes: No limit
- ❖ Condominium/Townhomes: No limit

HOW DOES THIS PROGRAM WORK?

LAHD provides purchase assistance up to a maximum of \$75,000, depending on the buyer’s income bracket. LAHD’s loan provides the difference between the purchase price plus closing costs (up to 4% of sales price) and the amount of the buyer's first mortgage loan, down payment and other funding sources.

Example:

Sales Price of Home:	\$495,000
Estimated Buyer's Closing Costs:	<u>\$ 14,850</u>
TOTAL FUNDS NEEDED:	\$509,850

Funds Available:

First Mortgage Amount (for which buyer qualifies):	\$429,900
Homebuyer Down Payment (1% of sales price)	\$ 4,950
<i>→LAHD Purchase Assistance Loan</i>	<u><i>\$ 75,000</i></u>
TOTAL FUNDS AVAILABLE:	\$509,850

Total LAHD loan in the above example is \$75,000.

Note: The Mortgage Credit Certificate (MCC) Program is also available to Applicants of this program. However, the MCC program cannot be used if a CalHFA first mortgage loan is obtained. Please refer to the MCC Flyer for more information.

LAHD loans may be used with other eligible loan programs (i.e. State of California, CalHFA first mortgages and subordinate financing, BEGIN, etc.)

HOW DO I START?

Contact one of the LAHD Participating Lenders listed at the end of this publication to get pre-qualified for a first mortgage and LAHD loan.