

CITY OF LOS ANGELES HOUSING DEPARTMENT HOME OWNERSHIP UNIT

AMERICAN DREAM DOWNPAYMENT INITIATIVE (ADDI) PROGRAM

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

ADDI LOAN LIMIT:

- ❖ Up to six percent (6%) of the purchase price or \$10,000 whichever is greater.

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 eight (8) hour Homebuyer Education Class provided by one of LAHD's Approved Homebuyer Education Providers.
- ❖ 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.

2009 MAXIMUM INCOME LIMITS

Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Annual Household Income	\$44,400 or less	\$50,750 or less	\$57,100 or less	\$63,450 or less	\$68,550 or less	\$73,600 or less	\$78,700 or less	\$83,750 or less

(For larger household size limits, please contact LAHD)

LAHD LOAN TERMS

- ❖ Deferred, requiring no monthly payments
- ❖ Shared Appreciation applies to purchase assistance and ADDI portion of all loans
- ❖ 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 one percent (1%) down payment of the purchase price is required from the borrower's own funds.

ELIGIBLE PROPERTIES

- ❖ One-unit New Construction single family homes.
- ❖ One-unit condominiums or townhomes only. The property must have been built after 1978.
- ❖ The property must not have any code violations or require repairs/rehabilitation. It must be in very good condition. At its own expense, LAHD will inspect the acquired property to determine if it meets program guidelines.
- ❖ Property must be located in the City of Los Angeles.
- ❖ Homebuyer must occupy the property as their primary residence.
- ❖ Property cannot be tenant occupied.

HOME VALUE LIMITS

- ❖ Condominium/Townhomes: \$445,550
- ❖ Single Family Homes: \$584,250

HOW DOES THIS PROGRAM WORK?

LAHD provides purchase assistance up to six percent (6%) of the purchase price. 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:

Purchase Price of Home:	\$350,000
Buyer's Closing Costs:	<u>\$ 10,500</u>
TOTAL FUNDS NEEDED:	\$360,500

Funds Available:

First Mortgage Amount (for which buyer qualifies):	\$336,000
Homebuyer Down Payment (1% of purchase price)	\$ 3,500
<i>⇒LAHD ADDI Loan (6% of purchase price)</i>	<u>\$ 21,000</u>
TOTAL FUNDS AVAILABLE:	\$360,500

Total LAHD ADDI loan in the above example is \$21,000.

Note: The Mortgage Credit Certificate (MCC) Program is also available to Applicants of this program.

HOW DO I START?

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