



HOMEOWNERSHIP & PRESERVATION DIVISION

Los Angeles Housing Department

LAHD

1200 West Seventh Street, 8th Floor, Los Angeles, CA 90017
tel 213.808.8800 | fax 213.808.8515
lahd.lacity.org



Antonio R. Villaraigosa, Mayor
Rushmore D. Cervantes, Interim General Manager

CITY OF LOS ANGELES HOUSING DEPARTMENT HOME OWNERSHIP UNIT LOW INCOME PURCHASE ASSISTANCE (LIPA) 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 Eligible Areas of the City of Los Angeles. LAHD provides assistance in the form of a deferred loan for purchase assistance which includes down payment, closing costs, acquisition financing and lead-based paint hazard stabilization (if needed).

LAHD LOAN LIMITS

- ❖ Up to **\$75,000** for purchase assistance, down payment and closing costs (loan funds may be used to cover closing costs up to 5% of the purchase price).
- ❖ Up to **\$15,000** for lead-based paint assessment and paint stabilization (if needed) for homes built before 1978.

LAHD will perform a Visual Assessment of all homes built **before 1978** to determine if potential lead-based paint hazards exist. If hazards are present, the affected paint will be stabilized by a Licensed and Lead Certified Contractor after the close of escrow.

PROGRAM REQUIREMENTS

- ❖ Applicant must be a first-time homebuyer, defined as someone who has **not** had an ownership interest in any real property at any time during the last three (3) years.
- ❖ Applicants must attend an 8-hour Homebuyer Education Class provided by one of LAHD's Approved Homebuyer Education Providers (see Approved List).
- ❖ Applicants must occupy the property as their primary residence.
- ❖ 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	\$70,350 or less	\$78,700 or less	\$83,750 or less

(For larger household size limits, please contact LAHD)

MAXIMUM VALUE AND PURCHASE PRICE LIMITS: \$451,250

LAHD LOAN TERMS

- ❖ Deferred, requiring no monthly payments
- ❖ Shared Appreciation applies to the LAHD purchase assistance and lead-based paint loan portions
- ❖ Loan is due on sale, title transfer, or first mortgage repayment
- ❖ Refinancing of first mortgage is allowed by LAHD under certain conditions

DOWNPAYMENT REQUIREMENT

- ❖ A minimum of one percent (1%) of the property purchase price is required as down payment. The one percent (1%) must come from the borrower's own funds. Please be aware that the borrower may be required to contribute more than 1% of their own funds towards the down payment to complete the purchase.

ELIGIBLE PROPERTIES

- ❖ **Approved** short sales/pays and Regular Sales.
- ❖ Foreclosed and REO properties must apply under the Neighborhood Stabilization Program (NSP).
- ❖ One unit, single family residences including town homes and condos.
- ❖ Property must be located **within the NSP Eligible Areas** of the City of Los Angeles. Please visit LAHD's website at <http://lahd.lacity.org/nsp> to obtain the maps of the NSP Eligible Areas or to check a property address for eligibility.
- ❖ Property cannot be occupied by tenants.

HOW DOES THIS PROGRAM WORK?

LAHD provides purchase assistance up to a maximum of \$75,000. 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. In addition to the Purchase Assistance Loan, LAHD will lend the Buyer funds for lead-based paint assessment and paint stabilization (if needed).

Example:

Purchase Price of Home:	\$300,000
Buyer's Closing Costs:	\$ 9,000
Lead-Based Paint Assessment and Stabilization	\$ 5,000
TOTAL FUNDS NEEDED:	\$314,000

Funds Available:

First Mortgage Amount (for which buyer qualifies):	\$229,000
Homebuyer Down Payment (1% of purchase price)	\$ 3,000
LAHD Purchase Assistance Loan	\$ 75,000
LAHD Lead-Based Paint Loan	\$ 5,000
Family Gift or other source	\$ 2,000
TOTAL FUNDS AVAILABLE:	\$314,000

Total LAHD loan in the above example is \$80,000.

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.



Fair Housing Lender