



Antonio R. Villaraigosa, Mayor  
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## PURCHASE ASSISTANCE FOR NEIGHBORHOOD STABILIZATION PROGRAM (NSP) HOMES

The City of Los Angeles Housing Department (LAHD) offers purchase assistance financing to eligible low- and moderate-income homebuyers seeking to purchase an eligible home from Restore Neighborhoods LA, Inc. (RNLA). LAHD provides assistance in the form of a deferred loan for purchase assistance (acquisition, down payment and closing costs).

Using NSP funds allocated to LAHD from the U.S. Department of Housing and Urban Development (HUD), RNLA has acquired foreclosed and abandoned single family homes in neighborhoods with the highest incidences of foreclosures: Central, East and South LA, and North and South San Fernando Valley. RNLA has acquired and rehabilitated the houses to sell to eligible homebuyers whose incomes do not exceed 120% of the area median income (AMI). The homes acquired by RNLA have been rehabilitated to meet Code requirements, all major building deficiencies have been addressed, and environmentally responsible "green" building components have been incorporated.

### ELIGIBLE PROPERTIES

- ❖ Homes for sale by RNLA. To view the homes currently available for sale, please visit RNLA's webpage at [www.restoreneighborhoodsla.org](http://www.restoreneighborhoodsla.org)
- ❖ Both one (1) unit and two (2) unit properties sold by RNLA homes are eligible for NSP financing. However, please note that two (2) unit properties will only qualify when both units will be owner-occupied by the Borrowers and the Borrowers' extended family. LAHD does not allow the rental of any unit at any time.

### PROGRAM REQUIREMENTS

- ❖ Applicant must be a U.S. Citizen, Lawful Permanent Resident Alien, or other Qualified Alien.
- ❖ Applicants must **not** presently have any ownership interest in any real property or have any outstanding mortgage obligations.
- ❖ Applicants must attend and complete an eight (8) hour Homebuyer Education Class provided by one of LAHD's Approved Homebuyer Education Providers.
- ❖ Applicant must occupy the property as their primary residence.
- ❖ Total household gross 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.
- ❖ Applicant will be required to apply for a Mortgage Credit Certificate (MCC), funds permitting, in conjunction with the NSP/RNLA Program.

### 2012 MAXIMUM INCOME LIMITS (as of December 1, 2011)

Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
<b>Low Income</b>	\$47,250 or less	\$54,000 or less	\$60,750 or less	\$67,450 or less	\$72,850 or less	\$78,250 or less	\$83,650 or less	\$89,050 or less
<b>Moderate Income</b>	\$47,251-\$70,800	\$54,001-\$80,950	\$60,751-\$91,050	\$67,451-\$101,150	\$72,851-\$109,250	\$78,251-\$117,350	\$83,651-\$125,450	\$89,051-\$133,550

#### LAHD NSP LOAN LIMITS

	Low Income Up to 80% AMI	Moderate Income Up to 120% AMI
Purchase Assistance (acquisition, down payment, and closing costs)	Up to \$60,000*	Up to \$40,000

\*LAHD will utilize ADDI funds to fund a portion of the \$60,000 Purchase Assistance loan, while ADDI funds are available.

**American Dream Downpayment Initiative (ADDI) Program:** This program provides purchase assistance loans to eligible low-income homebuyers who are purchasing an NSP/RNLA home. The ADDI loan amount is equal to six percent (6%) of the purchase price, or \$10,000, whichever is greater. ADDI funds are limited and are available on a first-come, first-serve basis for low-income homebuyers only. Low-income homebuyers who apply for an NSP/RNLA loan will automatically be considered for ADDI funds while ADDI funds are available.

#### LAHD LOAN TERMS

- ❖ Deferred, zero percent (0%) interest, requiring no monthly payments.
- ❖ Shared Appreciation applies to all loans. For example if a homebuyer receives a \$50,000 loan from the City to purchase a home with a \$200,000 sales price, the Shared Appreciation percentage would be 25% (\$50,000/\$200,000). Therefore upon sale, the \$50,000 loan plus 25% of the home's appreciation will be paid to LAHD. If the appreciation on the home is less than \$10,000, no shared appreciation is due. LAHD uses Shared Appreciation in-lieu of charging an interest rate to homebuyers.
- ❖ 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%) of property purchase price is required as down payment. The one percent (1%) must come from the **Borrower's own funds**. Please be aware that Borrowers may be required to contribute more than 1% of their own funds towards the down payment to complete the purchase as LAHD can only provide ½ of the first mortgage down payment requirement.

#### ADDI MAXIMUM HOME PURCHASE PRICE LIMIT:

- ❖ \$408,500

#### HOW DO I START?

Contact one of LAHD's Participating Lenders to get prequalified for a first mortgage and LAHD's NSP-RNLA Program. The list of LAHD's Participating Lenders is on LAHD's webpage at <http://lahd.lacity.org>, Home Buyers, General Information, Resources section. For more information, you may contact LAHD at (213) 808-8800.

