

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

*Available loan funds for the Moderate Income Purchase Assistance (MIPA) Program have been fully reserved at this time. LAHD has established a Wait List for use of its MIPA Program Funds. Please contact an LAHD Participating Lender to be placed on the Wait List. An LAHD Participating Lender can submit a Wait List Reservation Form on your behalf to LAHD. Upon receipt of a Wait List Reservation Form, LAHD, at its sole discretion, will issue actual reservations as funds become available.*

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) and Rehabilitation funds (if the property requires repairs).

**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

**Property Rehabilitation Assistance**

- ❖ Up to \$30,000 for all moderate income buyers

**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.

**2007 MAXIMUM INCOME LIMITS**

Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Moderate 120	\$62,150	\$71,050	\$79,900	\$88,800	\$95,900	\$103,000	\$110,100	\$117,200
Moderate 150	\$77,700	\$88,800	\$99,900	\$111,000	\$119,900	\$128,750	\$137,650	\$146,500

(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 applies to purchase assistance portion (see Shared Appreciation Example Sheet)
- ❖ Three percent (3%) simple interest per annum for rehabilitation loan portion only
- ❖ 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>
<b>TOTAL FUNDS NEEDED:</b>	<b>\$509,850</b>

**Funds Available:**

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

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.)

### **OPTIONAL REHABILITATION ASSISTANCE**

Homebuyers have the **option** of borrowing additional funds of up to \$30,000 for property repairs. Rehabilitation funds are available to the buyer on a reimbursement basis. An advance of 10% (up to \$3,000) is available to the homebuyer to commence rehabilitation/repair of the property.

All repairs and upgrades are allowed **EXCEPT** for the following list of exclusions:

1. Pools, spas, Jacuzzi, fountains, or water features
2. Whirlpool bathtubs or exotic plumbing fixtures
3. Appliances
4. Window Coverings
5. Wallpaper
6. Custom Lighting fixtures
7. Metal, slate or shake roofs
8. Stone (granite, marble, etc.) counters or flooring

*This list is not all inclusive. It may be updated at any time by LAHD.*

### **OTHER REHABILITATION REQUIREMENTS**

- ❖ All work must be completed by a licensed contractor.
- ❖ No homeowner can be reimbursed for the cost of his/her labor.
- ❖ Receipts and cancelled checks are required for all materials and labor requirements.
- ❖ Permits must be obtained as required.
- ❖ Final signed-off permits must be submitted with reimbursement requests.

The City's role in this program is that of lender. The City is not responsible for the selection of the contractor, the quality of rehabilitation or choices made by the borrower in the rehabilitation of the property.

The homebuyer is encouraged to repair code deficiencies and health and safety hazards and to address major systems such as roof, plumbing, HVAC, foundation, and electrical.

*For the complete Moderate Income Rehabilitation Loan Program Guidelines, please [click here](#).*

### **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.