

CITY OF LOS ANGELES NEIGHBORHOOD STABILIZATION PROGRAM (NSP)



HOMEOWNERSHIP & PRESERVATION DIVISION
Los Angeles Housing Department

LAHD

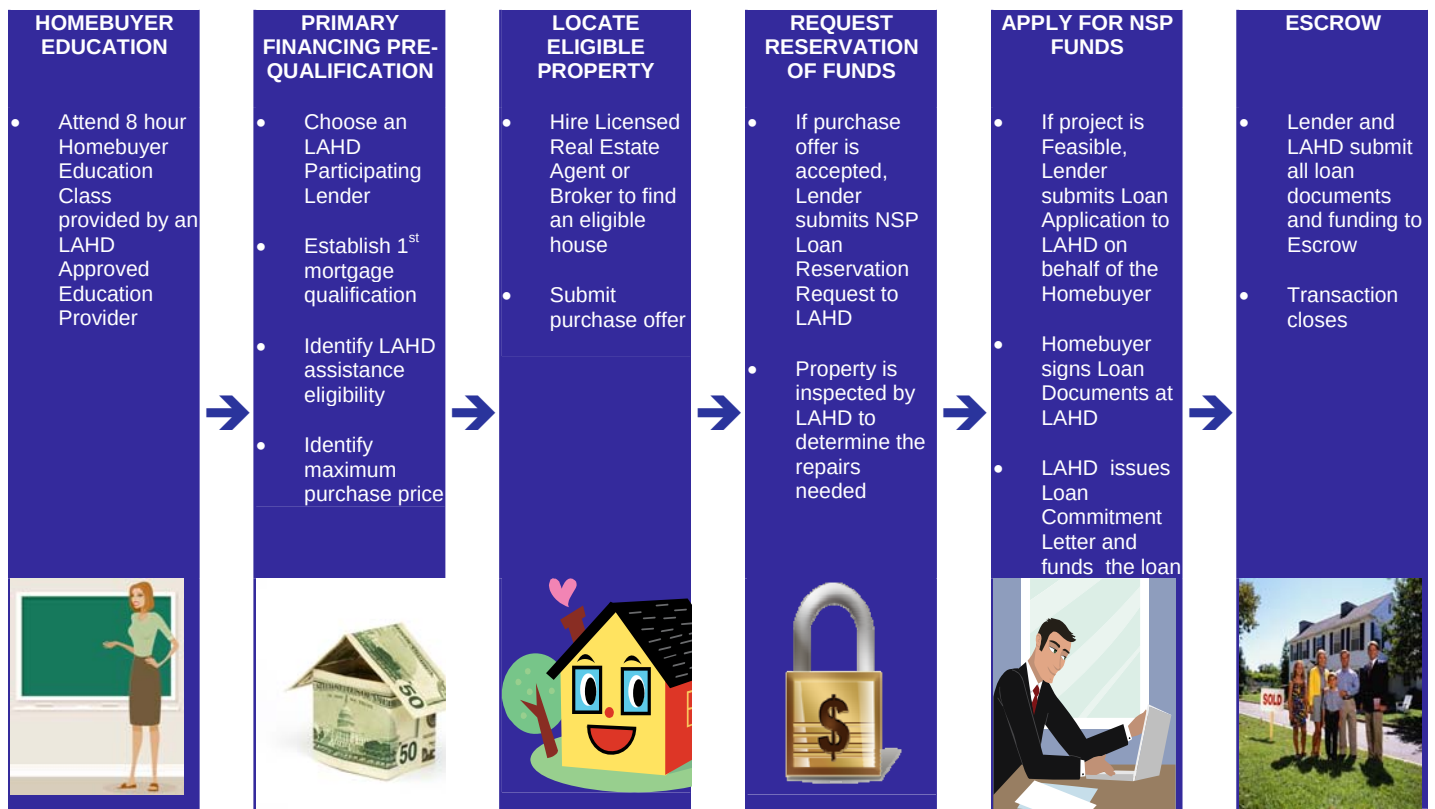
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THE CITY OF LOS ANGELES CAN HELP YOU BUY A HOME!

NSP Walk-In Purchase Assistance Program

The Los Angeles Housing Department (LAHD) offers financial assistance to eligible low- and moderate-income homebuyers seeking to purchase a foreclosed home in select neighborhoods throughout the City of Los Angeles. LAHD provides assistance in the form of a deferred loan for purchase assistance (acquisition, down payment and closing costs) and rehabilitation funds (if the property requires repairs) that do not require monthly payments.

What is the process?



DO YOU QUALIFY FOR THE NSP?

- ❖ 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 (as of March 19, 2009)

Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Low 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
Moderate Income	\$44,401-\$66,600	\$50,751-\$76,150	\$57,101-\$85,650	\$63,451-\$95,150	\$68,551-\$102,750	\$73,601-\$110,400	\$78,701-\$118,000	\$83,751-\$125,600

(For larger household size limits, please contact LAHD)

- ❖ Applicants must not presently have any ownership interest in any real property or have 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.
- ❖ Borrowers must occupy the property as their primary residence.

LAHD LOAN LIMITS

	Low Income Up to 80% AMI	Moderate Income Up to 120% AMI
Purchase Assistance (Down payment, closing costs, & gap)	Up to \$75,000	Up to \$50,000
Rehabilitation/Repairs	Up to \$75,000 (Total purchase and rehab loan cannot exceed \$125,000 combined)	Up to \$75,000 (Total purchase and rehab loan cannot exceed \$100,000 combined)
TOTAL	Up to \$125,000	Up to \$100,000

ELIGIBLE PROPERTIES

- ❖ **Foreclosed properties only.** A property is considered "foreclosed upon" at the point that, under state or local law, the mortgage or tax foreclosure is complete.
- ❖ One-unit detached single family homes, condos and townhomes.
- ❖ 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 maps of the NSP Priority Areas.
- ❖ Property must be vacant at time of listing.
- ❖ Buyers must negotiate and obtain a **minimum discount of one percent (1%)** below the property's current market appraised value.
- ❖ At its own expense, LAHD will inspect every property applying under this program and determine if rehabilitation and repairs are required. If rehabilitation/repairs are required, LAHD can provide a loan up to \$75,000 for the property rehabilitation/repairs. Homes requiring rehabilitation totaling more than \$75,000 will not be eligible for this program.

LAHD LOAN TERMS

- ❖ Fully deferred, requiring no monthly payments.
- ❖ Shared Appreciation applies to purchase assistance portion of all loans.
- ❖ Three percent (3%) simple interest per annum for rehabilitation loan portion only.
- ❖ Loan is due upon sale or transfer of title.
- ❖ 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 borrower's may be required to contribute more than 1% of their own funds towards the down payment to complete the purchase due to first mortgage lender requirements.

HOME PURCHASE PRICE LIMITS

- ❖ There are no maximum purchase price limits.

HOW DO I START?

Contact a Participating Lender to get prequalified for a mortgage and LAHD's NSP Program. For more information or to obtain a list of Participating Lenders, please contact LAHD at (213) 808-8800 or visit our website at:

<http://lahd.lacity.org/nsp>