



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

**City of Los Angeles  
Low Income Purchase Assistance Program (LIPA)**

The City of Los Angeles Housing and Community Investment Department (HCIDLA) can help you achieve homeownership. The Low Income Purchase Assistance Program (LIPA) helps first-time, low-income homebuyers purchase homes in the City of Los Angeles by providing loans to cover the down payment, closing costs, and acquisition. We invite you to look through our program to learn about the features, benefits, and eligibility requirements.

**WHO'S ELIGIBLE?**

- ❖ First-time homebuyers who have not had an ownership interest in any real property at any time during the last 3 years
- ❖ U.S. Citizens, Lawful Permanent Residents, or other Qualified Aliens
- ❖ Applicants whose total household income of all of the adults, 18 years of age or older who will be living in the home, is at or below the income limits shown on the table below

**2016 Maximum Income Limits**

Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
<b>Annual Household Income Limit</b>	\$48,650 or less	\$55,600 or less	\$62,550 or less	\$69,450 or less	\$75,050 or less	\$80,600 or less	\$86,150 or less	\$91,700 or less

**OTHER PROGRAM REQUIREMENTS:**

- ❖ Applicants must attend an 8-hour homebuyer education class given by one of our Approved Homebuyer Education Providers
- ❖ Applicants must contribute a minimum of 1% of the home purchase price as down payment. The down payment must come from the Applicant's own funds. Some homebuyers may be required to contribute more than the 1% toward the down payment to complete the purchase.
- ❖ Homebuyers must occupy the home as their Principal Residence.
- ❖ If eligible, applicants who apply for this program may also be required to apply for the City's Mortgage Credit Certificate (MCC) Program.

**LOAN AMOUNT:**

We provide a loan of up to \$60,000 for down payment, closing costs, and acquisition.

**LOAN TERMS:**

- ❖ Deferred, requiring no monthly payments
- ❖ Loans have a Shared Appreciation component in which the City will share a certain percentage of the appreciation in the value of the property. Please refer to the Shared Appreciation Example Sheet.
- ❖ Repayment of the loan is due on sale, title transfer, first mortgage repayment, or in 30 years

**ELIGIBLE PROPERTIES:**

- ❖ One unit, single family residences, including condominiums and townhomes
- ❖ Properties must be located in the City of Los Angeles
- ❖ Properties cannot be tenant-occupied
- ❖ Regular sales, approved short sales/pays, and foreclosed and REO properties
- ❖ All properties will be inspected by HCIDLA to ensure they meet all applicable state and local housing standards and code requirements. We also conduct a Lead-Based Paint Visual Assessment on the property to identify deteriorated paint in the homes. Any required corrections or repairs on the property should be done at the cost of the owner or homebuyer and must be completed before the application for financial assistance is submitted to HCIDLA.

**HOME PURCHASE PRICE/VALUE LIMIT:**

Single Family Homes:	\$475,000
Condominiums and Townhomes:	\$405,650

**HOW DOES THIS PROGRAM WORK?**

We provide a purchase assistance loan of up to \$60,000. The LIPA loan provides the difference between the purchase price plus closing costs (up to 5% of the purchase price) and the amount of the homebuyer's first mortgage loan, down payment, and other funding sources.

**EXAMPLE**

Purchase Price of Home:	\$300,000
Homebuyer's Closing Costs:	<u>\$9,000</u>
Total Funds Needed:	\$309,000
First Mortgage:	\$246,000
Homebuyer Down Payment (1% of Purchase Price):	\$3,000
City's LIPA Loan	<u>\$60,000</u>
Total Funds Available:	\$309,000

The total City LIPA loan in the above example is \$60,000.

**HOW TO APPLY:**

Please contact one of our Participating Lenders to get pre-qualified for a first mortgage and the City's Low Income Purchase Assistance Program. Please visit our website at <http://hcidla.lacity.org/> for more information or call (213) 808-8800.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

