



HOUSING ECONOMIC RECOVERY OWNERSHIP "HERO"

PROGRAM HIGHLIGHTS

- * Housing Economic Recovery Ownership (HERO) loans are 0% interest loans. No repayment is required until the home is sold, transferred, refinanced, or no longer owner-occupied.
- * Only Foreclosed or Abandoned properties are eligible.
- * Properties must be purchased at a discount of 15% from the current market appraised value.
- * Second Trust Deed Financing for families with up to 80% County Median Income will receive \$75,000 or 25% of the purchase price, whichever is the lesser. Families with up to 120% County Median Income will receive \$50,000 or 25% of the purchase price, whichever is the lesser.
- * Down Payment Assistance (DPA) provides down payment and/or closing costs assistance to low-, moderate-, and middle-income households for foreclosed, vacant or abandoned homes. The maximum DPA loan is 6% of the purchase price or \$10,000, whichever is the lesser.
- * Eligible properties are single-family foreclosed or abandoned homes with a maximum purchase price of \$493,000, and attached or detached foreclosed or abandoned condominium/townhomes with a maximum purchase price of \$394,250.
- * HERO loans are available to first-time homebuyers (borrowers) with no ownership interest in or who have not held "title" to a principal residence during the three-year period preceding the purchase of the property.
- * All properties built prior to 1978 are required to have a Visual and Lead-Based Paint Inspection and must pass the inspection prior to Loan Approval.
- * Eligible locations are those located within HERO Census Tracts only.
- * Borrower must invest a minimum of 1% of the down payment, not including closing costs.
- * Borrower must complete an 8-hour education homeownership course from an approved U.S. Department of Housing and Urban Development (HUD) counseling agency.
- * Grants up to \$25,000 are available to address code violations only.
- * CDC will share equity participation for the first 5 years.
- * Mortgage Credit Certificate and Mortgage Revenue Bond programs may be available with HERO.

FREQUENTLY ASKED QUESTIONS ON HERO PROGRAM

ONLY FORECLOSED AND ABANDONED PROPERTIES IN
DESIGNATED CENSUS TRACTS ARE ELIGIBLE

PROPERTIES MUST BE PURCHASED AT A DISCOUNT OF 15%
FROM THE CURRENT MARKET APPRAISED VALUE

Q: How do I get into the program?

A: First, you need to receive one of the information brochures by calling 323-890-7281 or visiting www.lacdc.org.

Q: I already reviewed the program highlights, what do I do now?

A: Call one of the approved participating lenders to be pre-qualified to purchase a foreclosed home. Approved lenders are listed in this brochure. You need to tell them you want to use the Los Angeles County HERO Program for assistance.

Q: Ok, I've been pre-qualified, now what?

A: Now you can go look for a foreclosed or abandoned home to buy, which is located in the listed census tracts. After the seller successfully accepts your offer and escrow is opened, contact the lender to begin your loan application. They need to immediately submit a package to us for reservation of funds for your purchase and to begin the process of the HERO loan. The lenders have our forms and applications for the program. As one of the conditions of approval, you must attend an 8-hour first-time homebuyer education seminar before closing escrow. At the end of the seminar, you will receive a certificate to show us you have satisfied this required condition. We offer free seminars once a month at the Department of Water and Power at 111 N. Hope Street in Los Angeles (schedule listed on website). Call the automated registration phone line at 323-890-7190 to reserve a seat.

Q: How long does the approval process take?

A: Once the package is submitted and reviewed, funds are set aside. We then request the lead-based paint visual inspection. All properties built prior to 1978 require an inspection. After we receive a clearance report, the lender is notified and then submits the underwriting package to us. We are usually able to complete the package within a 45-day escrow period. The faster your lender submits all required documentation to us, the faster we can approve the loan.