

COTTAGES AT HARBOR POINTE

Affordable Homeownership Opportunity



Built on Relationships[®]

Seven attached townhomes within the Cottages at Harbor Pointe development have been designated as affordable for-sale townhomes, under the Los Angeles County Affordable Home Buyer Program, targeted to lower- and moderate-income first-time homebuyers. Two of the seven townhomes are targeted to qualified lower income first-time homebuyers and are currently under contract to qualified buyers. Five of the townhomes are targeted to qualified moderate-income first-time homebuyers, and some of these townhomes are under contract to qualified buyers. Prospective homebuyers that expressed interest during the registration period of 4/1/2021 to 4/30/2021 have been placed on a priority list for the opportunity to participate in the Program by a randomized selection process. Prospective home buyers will receive additional information regarding



the Program requirements as their place on the priority list is reached, if any of the seven townhomes are then available, and will be provided two business days to determine whether they wish to proceed through the pre-qualification process described below. Prospective home buyers that do not elect to proceed shall be removed from the participation list.

Homebuyer Requirements

The annual gross income for the buyers and all household members 18 years of age and older cannot exceed income limits shown below.

Household Size	Low Income	Moderate Income
2	\$75,700	\$76,800
3	\$85,150	\$86,400
4	\$94,600	\$96,000

This chart presents income limits under the County of Los Angeles Affordable Housing Program and are effective as of 4/26/2021.

All buyers must be first-time homebuyers who have not had an ownership interest or held title in any real property during the past three years. Federal income tax returns for the past three years shall be provided and will be used to verify first time homebuyer status.

All household members must reside in the same principal residence as the buyer(s) at the time of application and must meet the minimum household size of two people for "Low Income" or three people for "Moderate Income" to qualify. Participants must respond within 2 business days from receipt of additional Program information by a KB Home sales representative. Participants will subsequently have 7 calendar days to provide pre-qualification documents to lender. KB Home will proceed with the list in the order dictated by the randomized selection process.

Equity - Share Requirements

Prospective homebuyers must pre-qualify for an available mortgage loan program, must meet the other requirements of the Affordable Home Buyer Program, must agree to terms in Purchaser Covenant Agreement/ Resale Restriction & Equity Sharing obligation, and must obtain final loan approval. Prospective home buyers who do not pre-qualify for a loan, who do not meet the requirements of the Affordable Home Buyer Program, who do not obtain final loan approval or who do not elect to proceed shall be removed from the participation list, and the opportunity to participate in the Affordable Home Buyer Program will be presented to the next prospective buyer on the priority list.

In the event property is sold:

Year 1-5	buyer does not receive any sale proceeds over original purchase price, 100% net appreciation sale proceeds goes to LACDA.
Year 6-10	buyer shares net appreciation sale proceeds over purchase price, 50/50 with LACDA.
Year 11-15	buyer shares net appreciation sale proceeds over purchase price with LACDA, buyer gets 90% and LACDA gets 10% net appreciation sale proceeds.
After Year 15	Buyer has 100% equity and does not share any net appreciation sale proceeds with LACDA.

*Net appreciation is after deducting closing costs and commissions. Same calculation is used for refinance.



Homebuyer Education

Buyers are required to attend a homeownership counseling and education class from an agency accredited and certified by the U.S. Department of Housing and Urban Development (HUD) or National Reinvestment Corporation. The class must be completed prior to loan closing, and a certification of completion must be provided.

Ownership Requirements

The property must be occupied and used as the buyer's principal residence and may not be used as an investment property, rental, vacation home or recreational home. All buyers are required to submit an annual certification of residency to the LACDA for the duration of ownership of the restricted unit. Each unit is part of an HOA and will be subject to monthly HOA dues and annual property tax.

Required Documents

The following documentation listed below must be provided to KBHS Home Loans for pre-qualification within the 7-day period described below. Additional documentation may be required to complete the pre-qualification.

- Three most recent paycheck stubs
- Past three years' W-2 and/or 1099 forms (all employers)
- Past three years' personal tax returns (all schedules)
- Past three years' business tax returns (if applicable/all schedules)
- Past three months' bank statements for all assets (all pages)
- Most recent retirement statement (401(k)/IRA/pension) - if applicable
- Name and phone number of landlord (if applicable)
- Copy of California driver's license or ID card, and social security card for all buyers (Only required by LA County Housing if the transaction proceeds.)
- Social security/pension award letter (if applicable)
- U.S. passport/permanent resident card/ U.S. birth certificate
- Authorization for lender to run Credit report for all household members over the age of 18

L.A. County Affordable Housing and lending program restrictions apply. Not all customers will qualify. Information, rates, and programs are subject to change at any time without prior notice. All products are subject to credit and property approval. The Cottages at Harbor Pointe are not eligible for FHA financing.

Participants must respond within 2 business days from receipt of additional Program information by a KB Home sales representative. Participants will subsequently have 7 calendar days to provide pre-qualification documents to lender. Prospective home buyers who do not pre-qualify for a loan based on such documents, who do not meet the requirements of the Affordable Home Buyer Program, who do not obtain final loan approval or who do not elect to proceed shall be removed from the participation list, and the opportunity to participate will be presented to the next prospective buyer on the priority list.

For more information: <https://housing.lacounty.gov/ForSale.html>

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