LA QUINTA WATERCOLORS SENIOR HOME PURCHASE PROGRAM

La Quinta Housing Authority

Information Statement

The following outlines the general terms of the silent 2nd Trust Deed provided for the property located at 79355 Rose Dawn in Watercolors in La Quinta, California. Purchase of this property is conditional on several factors, including, but not limited to:

- Buyer must qualify for an appropriate mortgage loan to finance the purchase and at least a 3% down payment of the buyer's own funds, with a maximum down payment of 20% of the **sales price.**
- Buyer must meet the income qualification criteria for a moderate-income household under the California Health and Safety Code Section 50105, 50079.5 and 50093.
- The 2026 income limits for **moderate income** households would be households who would have combined gross incomes that fall within the range below.

	1 person	2 people	3 people	4 people
Not less than	68,901	78,751	88,601	98,401
Not more than	89,450	102,250	115,000	127,800

- Buyer must qualify for participation under the terms of the existing Authority loan program.
- Buyer is required to occupy the purchased home as their principal residence.
- During the restriction period, Buyer will not rent or lease the home for any reason.
- Buyer will be responsible for repaying the mortgage loan and will make all payments on time and to keep the home lien-free, or the Authority will have the right to repurchase or foreclose on the home under the promissory note, deed of trust, and affordable housing agreement.
- Buyer will not encumber, mortgage, or allow the imposition of liens on the home without the prior, express written permission of the Authority.
- Buyer is precluded from selling the home to any person other than a moderate-income qualified buyer during the restriction period (45 years - June 2051).
- The resale price to another income-qualified buyer will be restricted to a monthly affordable housing cost determined under the promissory note, deed of trust, and affordable housing agreement.
- The principal and interest payments are deferred. They shall be forgiven as long as the unit remains affordable to a moderate-income household for the term of the existing Authority loan.

- Buyer is at least 55 years of age or older, and any person who will live reside at the Property will qualify as either a "Qualified Permanent Resident" or a "Permitted Health Care Resident" (as those terms are defined in Civil Code Sections 51.3(b)(3) and 51.3(b)(7)).
- Buyer's monthly payments for housing expenses (principal, interest, taxes, insurance, mortgage insurance, if applicable, $316.00 HOA dues and $75 utility allowance) may not be less than 28%of buyer's gross income nor more than 35% times 110% of the Riverside County median, as more specifically defined by Health and Safety Code Section 50052.5 and the Affordable Housing Cost Worksheet available from Authority. This unit's maximum monthly housing expenses cannot exceed $3,000.
- The Authority will agree to subordinate to a refinancing of the first mortgage loan only under the provisions of the Authority loan with the following limitations:

  1. for not more than the then-current first mortgage loan balance (i.e., a straight refi to reduce your interest rate) or
  2. for a "cash-out" refinance where the new first loan does not exceed **the lesser of** (1) the total of the new first mortgage plus the Authority loan up to seventy percent (70%) of the current appraised value of the property; (2) a mortgage amount that does not exceed a monthly affordable housing cost; or (3) an amount equal to the first mortgage balance plus closing costs plus $25,000.
  3. The La Quinta Redevelopment Authority loan MUST remain in second position. Interest-only, variable-interest loans, Home Equity Lines of Credit (HELOC), and Reverse Mortgages are not allowed under this program.

- If an owner pays off the Authority loan during the 45-year, the affordability covenants remain with the property for the entire term, requiring it to be sold to an income-qualified household and with a limitation on the resale price.