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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 31. HOUSING AND HOME FINANCE [50000 - 54913]** ( *Division 31 repealed and added by Stats. 1977, Ch. 610.*  )

**PART 5. LOCAL HOUSING FINANCE AGENCIES [52000 - 52106]** ( *Part 5 added by Stats. 1979, Ch. 1069.*  )

**CHAPTER 2. Definitions [52010 - 52016]** ( *Chapter 2 added by Stats. 1979, Ch. 1069.*  )

**52010.** Unless otherwise indicated by the context, the definitions contained in this chapter shall govern the construction of this part. The definitions contained in Chapter 2 (commencing with Section 50050) of Part 1 of this division shall not be applicable to this part, except as expressly and otherwise provided.

(*Added by Stats. 1979, Ch. 1069.*)

**52011.** "Bonds" means the revenue bonds authorized under this part and includes notes and any and all other limited obligations or evidences of indebtedness payable as provided in this part.

(*Added by Stats. 1979, Ch. 1069.*)

**52011.5.** "City" or "county" includes a city and county and also includes any agency created by a joint powers agreement under Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code entered into by cities or counties, or both, for the express purpose of the joint exercise of their powers under this part.

(*Amended by Stats. 1981, Ch. 1097.*)

**52012.** "Home" means real property and improvements thereon consisting of a single dwelling unit and which is owned by a mortgagor who occupies or intends to occupy the unit. "Home" includes an owner-occupied condominium unit, a unit in a stock cooperative where the occupant is a shareholder, and any dwelling structure consisting of two-, three-, or four-family dwelling units, one unit of which is occupied by the owner of the units, and, which units were first occupied as homes at least five years before the mortgage with respect to the owner-occupied unit is executed.

(*Amended by Stats. 1987, Ch. 497, Sec. 1.*)

**52012.5.** For purposes of this chapter, "first-time homebuyer" means a person who is a purchaser of an owner-occupied housing unit and who neither has, nor has had, a present ownership in a principal residence at any time during the three-year period prior to the date on which the mortgage governed by this chapter is executed.

Criteria established pursuant to subdivision (c) of Section 52020.5 shall include criteria for qualification of first-time homebuyers which need not include the criteria required for qualification of other mortgagors as set forth in subdivision (d) of Section 52020.5.

(*Added by Stats. 1990, Ch. 1297, Sec. 2.*)

**52013.** (a) "Home mortgage" or "mortgage" means an interest-bearing loan made as provided in this part to a mortgagor, whether originated in the manner provided in subdivision (a) or (b) of Section 52020 that is evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a home, and that may but is not required to be additionally secured by insurance on the payment of the note for the purpose of purchasing, constructing, or improving a home that meets either of the following criteria:

(1) Is newly constructed or is being rehabilitated and that, in either case, is located within an area or neighborhood in which the city or county is conducting a housing rehabilitation or code enforcement program, a neighborhood preservation area or concentrated rehabilitation area designated pursuant to this division, an area for which federal funds are being made available, or a residential rehabilitation area as defined in Section 37912. However, a loan may be made for the purchase of a newly constructed home anywhere within the city or county if the purchase is in connection with a program adopted by ordinance of the city or county the purpose of which is to increase the housing supply.

(2) Is a home upon which no rehabilitation is being undertaken in connection with any financing pursuant to this part, where the purchaser will not be the first occupant, and that is located within the city or county making or purchasing the home mortgage.

(b) A "home mortgage" or "mortgage" shall not include a loan to a mortgagor for the purpose of refinancing an existing obligation of the mortgagor, unless substantial rehabilitation is to be undertaken in connection with the loan.

(c) This section shall become operative January 1, 2012.

*(Amended (as added by Stats. 2008, Ch. 283, Sec. 2) by Stats. 2009, Ch. 140, Sec. 117. (AB 1164) Effective January 1, 2010. Section operative January 1, 2012, by its own provisions.)*

**52013.5.** (a) "Home mortgage" or "mortgage" means an interest-bearing loan made as provided in this part to a mortgagor, whether originated in the manner provided in subdivision (a) or (b) of Section 52020.5, which is evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a home, and which may, but is not required to be, additionally secured by insurance on the payment of that note, for the purpose of purchasing, constructing, or improving a home which meets either of the following criteria:

(1) Is newly constructed or is being rehabilitated and which, in either case, is located within an area or neighborhood in which the City of Gardena is conducting a housing rehabilitation or code enforcement program; a neighborhood preservation area or concentrated rehabilitation area designated pursuant to this division; an area for which federal funds are being made available; a renewal area as defined in Section 33702; or a residential rehabilitation area as defined in Section 37912; provided, however, that a loan may be made for the purchase of a newly constructed home anywhere within the City of Gardena if the purchase is in connection with a program adopted by ordinance of the City of Gardena the purpose of which is to increase the housing supply.

(2) Is a home upon which no rehabilitation is being undertaken in connection with any financing pursuant to this part, where the purchaser will not be the first occupant and which is located within the City of Gardena.

(b) "Home mortgage" or "mortgage" includes a loan made as provided in this part to a first-time homebuyer, as defined in Section 52012.5, which provides for the following terms:

(1) The purchaser shall make an initial payment of at least 5 percent of the selling price of the property.

(2) The balance of the purchase price may be amortized over a period fixed by the City of Gardena not exceeding 50 years, together with interest thereon at the rate as determined by the City of Gardena for amortization purposes.

(3) The City of Gardena may, in order to allow the buyer to purchase the home selected without incurring excessive monthly payments, at the time of initial purchase, postpone the commencement of any portion of the payments for not to exceed five years. In accordance with previously established criteria for these determinations, that the buyer's income can reasonably be expected to increase sufficiently within the five-year period to make the transition to fully amortized principal and interest payments.

(4) The total term of the contract of purchase shall not exceed 40 years. The purchaser on any installment date may pay any or all installments still remaining unpaid.

(5) In any individual case the City of Gardena may for good cause postpone from time to time as the City of Gardena deems proper, the payment of the whole or any part of any installment of the purchase price or interest thereon.

(c) A "home mortgage" or "mortgage" shall not include a loan to a mortgagor for the purpose of refinancing an existing obligation of the mortgagor, unless substantial rehabilitation is to be undertaken in connection with that loan.

*(Added by Stats. 1990, Ch. 1297, Sec. 3.)*

**52014.** "Lending institution" means any bank, trust company, savings bank, national banking association, savings and loan association, building and loan association, mortgage banker, or other financial institution or governmental agency which customarily provides service or otherwise aids in the financing of home mortgages, or any holding company for any of the foregoing.

*(Added by Stats. 1979, Ch. 1069.)*

**52015.** "Mortgagor" means a person or persons who have received a home mortgage on a home and who are deemed by a city or county conducting a program under this part to be a person or family of low or moderate income and unable to pay the amounts at which unassisted private enterprise is providing suitable, decent, safe, and sanitary housing.

*(Added by Stats. 1979, Ch. 1069.)*

**52015.5.** "Mortgagor" means a person or persons who have received a home mortgage on a home and who are deemed by the City of Gardena under this part to be either a person or family of low or moderate income or a first-time homebuyer, who is unable to pay the amounts at which unassisted private enterprise is providing suitable, decent, safe, and sanitary housing.

*(Added by Stats. 1990, Ch. 1297, Sec. 4.)*

**52016.** "Person" means any individual, partnership, copartnership, firm, company, corporation, limited liability company, lending institution, association, joint stock company, trust, estate, political subdivision, state agency or any other legal entity, or its legal representatives, agents or assigns.

*(Amended by Stats. 1994, Ch. 1010, Sec. 171. Effective January 1, 1995.)*