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**FOR IMMEDIATE RELEASE**

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**KEEP YOUR HOME CALIFORNIA OFFERS AS MUCH AS \$100,000 IN  
PRINCIPAL REDUCTION AS PART OF THE FREE MORTGAGE-  
ASSISTANCE PROGRAM**

*Loan-to-value ratio of 120% or greater considered a qualifying hardship, opening  
the door to the federally funded program for many homeowners*

SACRAMENTO – Keep Your Home California, the state’s free mortgage assistance program, offers qualifying financially strapped low- and moderate-income homeowners with underwater mortgages as much as \$100,000 in principal reduction. Homeowners can significantly reduce the amount of negative equity on their loan through the Keep Your Home California Principal Reduction Program.

More than one in every 10 California homeowners with a mortgage owes more than the value of their home, and the percentage of underwater mortgages increases to 25 percent-plus in some of the hardest-hit regions in the state, such as the Central Valley and the Sacramento-Stockton region.

“California was one of the hardest hit states during the financial crisis which impacted the housing market, from the number of foreclosures to the loss of equity, and Keep Your Home California is playing a major role in getting homeowners, and the state, back on their feet,” said Tia Boatman-Patterson, Executive Director of the California Housing Finance Agency, which oversees Keep Your Home California.

A loan-to-value ratio of 120 percent or greater is considered one of the qualifying hardships that enable homeowners to apply for the federally funded, state-managed program. For example, a homeowner who owes \$360,000 on a home with a value of \$300,000 could qualify for the Principal Reduction Program, as long as they meet other program requirements.

Homeowners can get an idea of their first mortgage loan-to-value ratio by checking the current value of their home through various websites and comparing it to the money owed on their mortgage. While online property value websites can give homeowners a rough idea of their home’s value, the Keep Your Home California property value will be used to determine benefit assistance. It is not necessary for applicants to know the current value of their home before applying.



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Homeowners approved for the Principal Reduction Program during the second quarter enjoyed an average drop in their loan-to-value ratio of 34 percent – and an almost 20 percent reduction in their monthly mortgage payment.

Keep Your Home California started in February 2011, after the state received almost \$2 billion from the U.S. Treasury’s Hardest Hit Fund. Almost 45,000 homeowners have received a total of more than \$783 million from Keep Your Home California.

Keep Your Home California has three other programs in addition to the Principal Reduction Program:

- **Unemployment Mortgage Assistance Program:** Out-of-work homeowners collecting jobless benefits from the state Employment Development Department can receive as much as \$3,000 per month in mortgage assistance for up to 12 months.
- **Mortgage Reinstatement Assistance Program:** Homeowners who are behind two months or more on their payments could receive as much as \$25,000 to help them “catch up” on their past-due mortgage payments. Homeowners must have recovered from their financial hardship and be able to make their mortgage payments going forward in order to be eligible for the program.
- **Transition Assistance Program:** Homeowners who have reached an agreement for a deed-in-lieu of foreclosure or short sale with their mortgage servicer could receive up to \$5,000 in relocation assistance.

In order to qualify for any of the four programs, homeowners must meet program eligibility requirements, including having suffered a financial hardship – a job loss, cut in pay, a divorce, death, or extraordinary medical benefits, among others – and meet county-by-county income requirements (a complete income limit list is available at <http://keepyourhomecalifornia.org/income-limits/>).

Also, a homeowner’s mortgage servicer – the company that collects the monthly payment – must participate in the specific program. Homeowners can visit <http://keepyourhomecalifornia.org/participating-servicers/> to see if their mortgage servicer is on the list and which programs they offer.

Currently, more than 130 of the almost 200 mortgage servicers enrolled in Keep Your Home California participate in the Principal Reduction Program, including Bank of America and Wells Fargo, major servicers in the state.



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Homeowners seeking more information about the program should call 888-954-KEEP (5337) between 7 a.m. and 7 p.m. weekdays and 9 a.m. to 3 p.m. Saturdays. Counseling center employees can answer questions in virtually any language through a translation service and there is never a fee for any Keep Your Home California services. A Spanish-language version of the website is also available at [www.ConservaTuCasaCalifornia.org](http://www.ConservaTuCasaCalifornia.org).