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**KEEP YOUR HOME CALIFORNIA EXPANDS CRITERIA
OF PROGRAMS TO HELP HOMEOWNERS ATTAIN
AFFORDABLE MORTGAGE PAYMENTS**

SACRAMENTO – Keep Your Home California announced today changes to help more low and moderate income homeowners, who are struggling with their monthly mortgage payments, remain in their homes as part of the free mortgage-assistance program.

The changes will assist homeowners who have suffered a financial hardship attain an affordable monthly mortgage payment and provide them with an opportunity to solve their mortgage troubles, before they fall behind on their payments. For homeowners who have already fallen behind on their monthly payments, Keep Your Home California more than doubled the amount of funding that is available to help homeowners catch-up on past due mortgages. The state program, which is overseen by the California Housing Finance Agency (CalHFA), can provide up to \$100,000 in assistance to eligible homeowners.

“Despite an improving economy and job market, there are still many homeowners who are struggling every month or just need a little help to get back on track with their payments,” said Tia Boatman Patterson, Executive Director of CalHFA. “Our goal is to help California homeowners prevent avoidable foreclosures, and the changes to the program are the latest in that effort.”

The program criteria changes affect the Principal Reduction Program, which allows homeowners with unaffordable monthly mortgage payments to apply for as much as \$100,000 in assistance to reduce the principal balance. Principal reductions often lead to savings of hundreds of dollars each month on homeowners’ mortgage payments.

The state-managed program has also more than doubled the funding limit for the Mortgage Reinstatement Assistance Program. Homeowners who are behind at least two months on their payments can now receive up to \$54,000 to help them catch up on their past-due mortgage payments. The previous maximum was \$25,000. Homeowners must have recovered from their financial hardship and be able to make their monthly mortgage payments going forward in order to be eligible for the program.

“California’s recent program changes allow struggling homeowners to get the mortgage help they need,” said Mark McArdle, Chief of the Homeownership Preservation Office at the U.S. Department of Treasury. “Although the housing market is recovering, there are still many homeowners who have a difficult time making their mortgage payment. These changes will provide relief to those who need it most.”

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Boatman Patterson said that many California homeowners are back to work, but some are now in lower-paying positions and having a difficult time making their monthly payments or catching up on their mortgage. An affordable mortgage payment – the cornerstone of a solid financial situation – benefits homeowners, their communities and the state.

“Having an affordable mortgage payment is the first step to avoiding foreclosure,” said Ms. Boatman Patterson. “For many homeowners who have experienced financial hardships, it’s just a matter of time before they fall behind on their payments, which could ultimately lead to foreclosure. With these changes, we are taking a pro-active approach and helping homeowners earlier, before the foreclosure time-clock starts ticking.”

Homeowners must meet program eligibility requirements, including having suffered a financial hardship – such as a job loss, cut in pay, a divorce, death or extraordinary medical expenses – and meet county-by-county income requirements (a complete income limit list is available at <http://keepyourhomecalifornia.org/income-limits/>). Severe negative equity – a loan-to-value ratio of 120% or more – is considered a financial hardship under the Principal Reduction Program.

The changes to the Mortgage Reinstatement Assistance and Principal Reduction programs are the fourth in as many months for Keep Your Home California.

In addition to program eligibility requirements, a homeowner’s mortgage servicer – the company that collects the monthly payment – must participate in the program. Homeowners can visit <http://keepyourhomecalifornia.org/participating-servicers/> to see if their mortgage servicer is on the list and which programs they offer. About 220 mortgage servicers, including Bank of America, Wells Fargo and Chase participate in Keep Your Home California.

Keep Your Home California began helping homeowners in February 2011 after the state received almost \$2 billion from the U.S. Treasury’s Hardest Hit Fund. More than 50,000 homeowners have received a total of \$950 million from the program.

Homeowners seeking more information about any of the Keep Your Home California programs should call 888-954-KEEP (5337) between 7 a.m. and 7 p.m. weekdays and 9 a.m. to 3 p.m. Saturdays or visit www.KeepYourHomeCalifornia.org. Representatives can answer questions and take applications 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.

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