

# State reaches out to Fresno County's underwater homeowners

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A state-run program to help underwater homeowners keep their homes has launched an outreach effort to spread the word in Fresno County.

County homeowners who owe more than the home is worth may be qualified to receive as much as \$100,000 in free mortgage assistance from Keep Your Home California.

The federally funded program, which has already helped 37,000 homeowners statewide, launched its marketing effort late February in Fresno and San Joaquin counties in an effort to avoid preventable foreclosures.

Diane Richardson, the program director, said California has nearly \$2 billion in funds to help eligible homeowners keep their home.

"We know that the Central Valley still has a significant issue with negative equity," Richardson said. "We wanted to reach out to those distressed homeowners."

Nearly 14,000 postcards detailing Keep Your Home California's free principal reduction program were sent out to Fresno County homeowners whose mortgages exceed the home's value.

Under the principal reduction program, one of four programs provided by Keep Your Home California, assistance is given to eligible homeowners who have experienced an economic hardship coupled with a severe decline in the home's value.

Homeowners could get up to \$100,000 in principal reduction, with the average homeowner saving about \$300 per month, Richardson said.

Applicants must meet program requirements, including an income limit of \$69,500, be able to make the monthly mortgage payments, and have endured a financial hardship -- cut in pay, expensive medical bills, divorce or death. Homeowners with a loan-to-value ratio of 140% or greater -- for example a \$280,000 mortgage balance for a home valued at \$200,000 -- can also qualify as experiencing financial hardship, Richardson said.

Fresno County homeowners who did not receive the mailer may still be eligible to apply for the program. To learn more, contact [Keep Your Home California](#) at (888) 954-5337.

About 125 Fresno County homeowners have been approved for principal reductions since the program started in February 2011.

California Housing Finance Agency, which oversees the program, encourages homeowners to avoid scams that offer to help homeowners for a fee, since Keep Your Home California is a free program.

"It puts homeowners in a much better position," Richardson said. "It allows them to see the light at the end of the tunnel."

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