

Funds running out for homeowner assistance

By Megan Ginise
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Funds are running out for homeowners with unaffordable mortgages to get as much as \$100,000 in free mortgage assistance from Keep Your Home California.

Nearly \$1.2 billion has been issued to more than 58,000 households through the federally funded Principal Reduction Program. An additional \$100 million is scheduled for disbursement. The program is on track to use all of its funds before the Dec. 31, 2017, deadline, according to the California Housing Finance Agency, which oversees the program.

Homeowners who have received help through the program have seen their principal reduced by an average of \$75,000 and their monthly payment drop by 14 percent, the agency said.

“Reducing principal and lowering the monthly payment can make a huge impact for many homeowners, and be the difference between keeping and losing a home,” said Tia Boatman Patterson, the agency’s executive director.

Tens of thousands of California homeowners could still be eligible for the program, the agency says. According to a recent report from the Center for American Progress, more than half of the counties in California – 31 of 58 – have more than 15 percent of their homes with negative equity – homes worth less than the loans on them.

Homeowners have seen their principal reduced an average of \$75,000 and their monthly payment drop by 14 percent through the Keep Your Home California program.

Other programs from Keep Your Home California include those to help with reverse mortgages, unemployment, mortgage reinstatement and a transitional program.

The Unemployment Mortgage Assistance Program offers out-of-work homeowners eligible for jobless benefits from the state as much as \$3,000 per month in mortgage assistance for up to 18 months. The Mortgage Reinstatement Assistance Program helps homeowners who are behind two months or more on their payments receive as much as \$54,000 to help bring payments current.

Homeowners who are relinquishing their homes through a short sale or a deed-in-lieu of foreclosure could receive up to \$5,000 in relocation assistance through the Transition Assistance Program. Seniors at risk of losing their home due to delinquent property expenses associated with their Federal Housing Administration-insured reverse mortgage could qualify for up to \$25,000 in assistance.

For more information about Keep Your Home California or any of the California Housing Finance Agency’s other programs, call 888-954-KEEP (5337) between 7 a.m. and 7 p.m. weekdays and 9 a.m. and 3 p.m. Saturdays or visit www.KeepYourHomeCalifornia.org. A Spanish-language version of the website is available at www.ConservaTuCasaCalifornia.org.

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