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CEDC RECEIVES CALHFA APPROVAL TO ASSIST STRUGGLING HOMEOWNERS TO WARD OFF FORECLOSURE

Two billion dollars available statewide to assist at-risk homeowners

Ventura, CA – The Cabrillo Economic Development Corporation announced today that it has been approved by the California Housing Finance Agency (CalHFA) as a certified counseling organization to assist struggling local homeowners facing mortgage crises with a set of four new programs called “Keep Your Home California.”

The primary goal of the new programs is to fight the ongoing foreclosure crisis in California, with the main objective of assisting individuals and families remain in their homes. The programs, under the umbrella title of Keep Your Home California, are federally funded as part of the U.S. Treasury Department’s Hardest Hit fund, and are aimed at helping low and moderate income homeowners struggling to pay their mortgages amid the worst real estate crisis in decades.

“Our goal is to get the very most out of these federal dollars to assist California families,” said Steven Spears, Executive Director of CalHFA. “With families struggling through a number of financial hardships and the disruption in the real estate market, these programs will help those in need while stabilizing neighborhoods and communities severely impacted by foreclosures.”

California received a total of nearly \$2 billion through the Hardest Hit fund. After consulting with community leaders throughout the state, four programs were created to assist California families.

Mr. Spears said that all four programs are intended to help avoid foreclosure: three offer several forms of mortgage assistance, as well as a separate program that will provide transition assistance to borrowers who execute a short sale or deed in lieu transaction.

All of the programs are designed specifically for low or moderate income homeowners who are either unemployed or are facing another financial hardship, or homeowners who have fallen behind on their mortgages and owe significantly more than the value of their homes.

“This program provides hope to people who have not previously been able to secure a home loan modification because of income challenges,” says Bertha Garcia, Director of CEDC’s NeighborWorks® HomeOwnership Center. “We’re very pleased to offer the program in our community and invite homeowners to call us for assistance.” Homeowners may call CEDC at 805-659-6868 to schedule a counseling appointment.

Specifically, the Keep Your Home California programs provide:

- Mortgage assistance of up to \$3,000 per month for unemployed homeowners who are in imminent danger of defaulting on their home loans.

- Funds to help homeowners who have fallen behind on their mortgage payments due to a temporary change in a household circumstance. The program will provide up to \$15,000 per household to reinstate mortgages to prevent foreclosures.
- Money to reduce the principal owed on a mortgage for a home where the low or moderate income homeowner is facing a serious financial hardship and owes significantly more than the home is worth. The program requires lenders to match any assistance provided by the Keep Your Home California program.

A full description of the programs can be found at www.KeepYourHomeCalifornia.org

How to Apply:

The programs will be limited to homeowners who meet a number of criteria, including owning and occupying the home as their primary residence, meeting income limits and facing a financial hardship. Homeowners who consummated a “cash-out” refinance are not eligible for Keep Your Home California programs.

To apply for the assistance directly, a homeowner can contact the Keep Your Home California call center toll-free at 888.954.KEEP(5337). If a personal counseling session is preferred, homeowners should contact the Cabrillo Economic Development Corporation NeighborWorks® HomeOwnership Center at: 805.659.6868. A third option is to contact the borrower’s mortgage servicer – the company to which the borrower sends monthly mortgage payments.

Each of the mortgage assistance programs requires the participation of the mortgage servicer. As of February 9, the following servicers are participating in all four Keep Your Home California programs:

- GMAC
- Guild Mortgage
- California Housing Finance Agency
- California Department of Veterans Affairs

Other servicers, including Bank of America, JPMorgan Chase, CitiMortgage and Wells Fargo are currently participating in some, but not all programs at this time. The list of participating servicers is expected to expand in the coming weeks.

Full details regarding servicer participation can be found at www.KeepYourHomeCalifornia.org.

“The problems of unemployment and the unprecedented disruption in our real estate markets have impacted so many families,” Mr. Spears said. “These programs are designed to move homeowners who have been told ‘no’ into the ‘yes’ category and qualify them for a mortgage they can afford over the long term.”

Borrowers with questions about the program may call also call Keep Your Home California toll-free at 888-954-KEEP(5337).

CEDC is a private non-profit affordable home and community development corporation that provides comprehensive housing services, through a community building approach, in Ventura and Santa Barbara Counties, and the Santa Maria area. Since its incorporation in 1981, CEDC has built more than 1,400 units of affordable for-sale and multi-family rental homes, manages 715 affordable rental units, and has assisted more than 8,000 individuals and families with homeownership education, counseling and lending services. CEDC is

a chartered member of NeighborWorks®, a national network of more than 230 community development and affordable home developers. This year marks CEDC's 30th year of operation.

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