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**MALIA M. COHEN**

MEMBER, SECOND DISTRICT  
STATE BOARD OF EQUALIZATION

June 23, 2022

TO: Members of the Board of Equalization

FROM: Malia M. Cohen, Chair

RE: Board of Equalization Board Meeting, June 28, 2022, L1.a. California Mortgage Relief Program

**The Board will receive a special presentation on the California Mortgage Relief Program including the recent expansion of the program that will also offer California homeowners assistance with past due property taxes.**

The purpose of this agenda item is to provide the Board an opportunity to receive a presentation on the California Mortgage Relief Program and to facilitate a strategic alliance with the program to ensure that every California property owner is aware of this assistance.

By doing so, the Board will strive to provide outreach and education to California homeowners about a valuable resource available to eligible homeowners to assist with housing payments or outstanding property taxes.

### **Background**

In December of 2021, the Governor announced that California would provide \$1 billion in mortgage relief grants to tens of thousands of homeowners who had fallen behind on housing payments or reverse mortgage arrearages during the COVID-19 pandemic. This month, the program was further expanded to assist with past due property taxes. Eligible homeowners are not required to pay back the funds and the program is free.

The California Mortgage Relief Program is funded by the 2021 American Rescue Plan Act's Homeowners Assistance Fund. It was designed to assist qualified homeowners who had fallen behind on their housing payments or property tax payments due to pandemic-related financial hardships.

Under Governor Newsom's initial plan, the California Mortgage Relief Program set out to help an estimated 20,000 to 40,000 struggling homeowners, with funds reserved for homeowners in socially disadvantaged and underserved communities often hit hardest by the pandemic.

After six months of success, the CA Mortgage Relief Program has awarded approximately \$68M in mortgage relief assistance.

On June 14, 2022, the Administration announced an expansion of the program to increase the number of Californians eligible for the assistance and the type of assistance available under the program.

The program is provided to homeowners through the California Housing Finance Agency Homeowner Relief Corporation.

### **Eligibility**

According to the California Mortgage Relief Program website, homeowners must meet the following criteria to become eligible for the program:

- Household income of all household members over the age of 18 is at or below 150% of the Area Median Income. [AMI Calculator](#)
- Homeowner must currently own and occupy the property in California as their primary residence.
- Homeowner may only own and occupy one property.
- Homeowner must attest that they experienced a Qualified Financial Hardship after January 21, 2020. The attestation must describe the nature of the financial hardship.
- For mortgage relief, homeowner must be at least two payments past-due by June 30, 2022. For property tax assistance, homeowner must be at least one payment past due by May 31, 2022.
- For mortgage relief, past-due amount must be \$80,000 or less at the time of application submission.
- Approved applicants will receive a one-time grant only. Once a household/property is funded, it is no longer eligible for additional assistance from the program.
- The original, unpaid principal balance of the homeowner's primary mortgage loan, at the time of origination, cannot be greater than the "conforming loan limit" (as determined under the provisions of the Housing and Economic Recovery Act of 2008) in effect at time of origination. To find data on conforming loan limits, [click here](#).
- Homeowners cannot have cash or assets on hand (excluding savings in a retirement account) that is equal to or greater than the relief funds needed + \$20,000. (For example, homeowners needing \$30,000 to get caught up on their mortgage, will be ineligible if they have \$50,000 or more in assets).
- For mortgage relief, homeowner's mortgage servicer must be participating in the California Mortgage Relief Program. A list of participating mortgage servicers can be found [here](#).

### **Conclusion**

Acknowledging the above, I encourage the Board to take advantage of learning more about the California Mortgage Relief Program and explore opportunities to partner with the program to educate homeowners about this valuable resource.

Attachments

The California Mortgage Relief Program is helping homeowners get caught up on missed housing payments, including one-time financial assistance for **past-due mortgages** and **property taxes**.

The funds received never have to be paid back  
and there is no cost to apply.

## ELIGIBILITY REQUIREMENTS

	Mortgage Relief	Property Tax Relief
Maximum Grant Amount	\$80,000	\$20,000
Must have a pandemic-related financial hardship	✓	✓
2+ payments behind before June 30, 2022 and currently past due	✓	
1+ payments behind before May 31, 2022 and currently past due		✓

All applicants must also meet the following criteria:



Meet household income eligibility requirements based on local county Area Median Income



Own a single-family home, condo or permanently affixed manufactured home

## APPLY TODAY

Homeowners can find more information about eligibility requirements and apply online at [CaMortgageRelief.org](https://CaMortgageRelief.org).

## NEED ASSISTANCE?

Assistance is available at 1-888-840-2594.

## **What is the California Mortgage Relief Program?**

The California Mortgage Relief Program is providing financial assistance to get caught up on past-due mortgages or property taxes to help homeowners with a mortgage, a reverse mortgage, or who are mortgage-free. Using \$1 billion in federal funds, the grants help homeowners who had a financial hardship during the COVID-19 pandemic. Assistance provided through this program is not a loan and does not need to be paid back.

## **Why is the program important?**

The California Mortgage Relief Program offers financial assistance to eligible homeowners via a one-time grant that does not have to be paid back. This means homeowners who have fallen behind on their mortgage or property tax payments due to pandemic-related financial hardships can get caught up. Homeowners who are approved for these grants should talk with a tax professional about any impact this may have on their income taxes.

## **How much assistance is available?**

For homeowners with a mortgage or reverse mortgage, funding covers the full past-due amount owed to their lender, up to a maximum of \$80,000 per household. Homeowners who are delinquent by more than \$80,000 at the time they submit their application would not be eligible for assistance.

For homeowners who pay their property taxes directly to their county, grants fund the past-due amount that is owed to their county tax collector, up to \$20,000 per household.

The assistance provided through the California Mortgage Relief Program is not a loan and does not need to be paid back. Homeowners receiving these one-time grants should talk with a tax professional about any impact this may have on their income taxes.

## Where can homeowners fill out an application?

Homeowners can check to see if they are eligible to apply for the California Mortgage Relief Program by visiting [CaMortgageRelief.org](https://CaMortgageRelief.org) and clicking the “Apply Here” button. Homeowners who meet the pre-screening criteria may complete an application for funding. Application assistance is available at our Contact Center at [1-888-840-2594](tel:1-888-840-2594).

## Who is eligible?

Whether they have a mortgage, a reverse mortgage, or are mortgage-free, the program is open to all California homeowners who meet the eligibility requirements. Homeowners may be eligible if they:

- Missed at least two mortgage payments and are currently past due; or
- Owe for unpaid property taxes (whether paid directly to your county or as part of your mortgage payment); or
- Have a reverse mortgage and owe servicer for past due property tax and/or homeowner’s insurance

All applicants must meet the following requirements:

- Household income is at or below the county income limit (150% of their county’s Area Median Income, based on [federal limits](#) set for this program);
- Own a single-family home, condo or permanently affixed manufactured home in California; and
- Experienced a pandemic-related financial hardship after Jan. 21, 2020 - either a loss of income or increase in household expenses

Mortgage assistance requirements:

- Missed two or more mortgage payments before June 30, 2022, and are currently delinquent; and
- Past due amount must be \$80,000 or less at the time of application

Property tax assistance requirements (if paid directly to your county tax collector):

- Missed at least one property tax payment before May 31, 2022

**I have already received a grant from the California Mortgage Relief Program. Would I be able to receive additional assistance if I become eligible again?**

The California Mortgage Relief Program provides a one-time grant only. Once a household/property is funded, it is no longer eligible for additional assistance from the program.

	Mortgage Relief	Property Tax Relief
Maximum Grant Amount	\$80,000	\$20,000
Must have a pandemic-related financial hardship	✓	✓
2+ payments behind before June 30, 2022 and currently past due	✓	
1+ payments behind before May 31, 2022 and currently past due		✓