

**FOR IMMEDIATE RELEASE**

Contact: Ken Giebel  
Phone: 916.323.1921  
Fax: 916.322.2345  
kgiebel@calhfa.ca.gov  
www.calhfa.ca.gov

**CALHFA ALLOCATED \$700 MILLION FROM  
NEW FEDERAL PROGRAM TO ASSIST HOMEOWNERS**

**SACRAMENTO, March 5, 2010** – The California Housing Finance Agency (CalHFA) today announced that it will develop innovative initiatives to use nearly \$700 million in new federal funding to help California’s neediest homeowners struggling with mortgage payments remain in their homes.

This follows an announcement by the Obama Administration that CalHFA is one of five state housing finance agencies slated to receive a total of \$1.5 billion from the federal government’s Emergency Economic Stabilization Act of 2008. In addition to California, the funds will support efforts in Arizona, Florida, Michigan and Nevada. All five states have seen average home prices decline by 20 percent or more.

Steven Spears, Acting Executive Director of CalHFA, said the agency will work quickly to develop programs to help California’s low and moderate-income homeowners and submit plans to the federal government by April 16. He said he expects the program to be ready to be implemented by mid-year or sooner.

“We are very grateful that the Obama Administration recognizes that California and several other states have been severely impacted by the twin problems of unemployment and home price depreciation,” Mr. Spears said. “We are honored by President Obama’s continued support and the confidence the President has shown in state housing finance agencies.”

Under the Obama administration’s plan, the funding can be used for innovative programs to assist unemployed homeowners, homeowners who owe significantly more

than their homes are now worth and for those facing challenges associated with second mortgages. The programs will be available to homeowners, regardless of whether their mortgage was initially financed by CalHFA.

“This funding alone will not solve the significant problems in the housing market that California families face, but combined with other initiatives by state, local and federal governments as well as the private sector, this will contribute to stabilizing California’s housing market,” Mr. Spears said.

Late last year, the federal government announced a separate plan to provide \$5.4 billion in financing assistance to CalHFA – assistance that will enable the agency to continue its 35-year effort to provide safe, fixed rate mortgage loans to first-time homebuyers and help finance affordable rental housing.

Mr. Spears said CalHFA would provide regular updates on the status of this program through the CalHFA web site at [www.calhfa.ca.gov](http://www.calhfa.ca.gov).

For more information and a complete description of CalHFA’s homeownership and multifamily programs, visit [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or call toll free 877.9.CalHFA (877.922.5432).

# # #