



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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OBAMA ADMINISTRATION PROVIDES UPDATE ON HARDEST HIT FUND PROGRAM TO HELP STRUGGLING HOMEOWNERS IN CALIFORNIA

WASHINGTON – The U.S. Department of the Treasury today provided new details on its support for homeowners struggling due to adverse economic conditions in California through the existing Housing Finance Agency (HFA) Innovation Fund for the Hardest Hit Housing Markets (the Hardest Hit Fund). This week, the Obama Administration approved CalHFA Mortgage Assistance Corporation’s plan to use \$476.3 million in previously allocated foreclosure-prevention assistance to support local initiatives to expand options for homeowners struggling to make their mortgage payments because of unemployment. The Administration also announced that it will make available an additional \$799.5 million in Hardest Hit Fund support to CalHFA Mortgage Assistance Corporation to bolster and expand the reach of its programs.

“This Administration recognizes that unemployment and steep home price declines are concentrated in specific states and localities, so we will continue our work to stabilize the housing market and assist distressed homeowners in states hardest hit by these economic realities,” said Assistant Secretary for Financial Stability Herb Allison. “We believe that these efforts at the state level will help get local housing markets back on track and complement our national housing stability and foreclosure prevention efforts.”

The Administration has allocated a total of almost \$2 billion to California since President Obama first announced the Hardest Hit Fund in February 2010 to allow states hit hard by the economic and housing market downturn flexibility in implementing programs to meet the local challenges facing homeowners in their state. The allocation of additional funding announced today is based on population size. Each state housing agency will have flexibility in determining how to target the additional funds they will be receiving, and states will also determine when assistance will become available to homeowners. Under the Hardest Hit Fund, states are already working to implement a variety of targeted programs to help

struggling homeowners, including assistance to help unemployed homeowners pay their monthly mortgage, reinstatement assistance to bring delinquent homeowners current on their mortgage, principal reduction for homeowners who are underwater, assistance with second liens and facilitation of short sales.

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