CALIFORNIA MONITOR

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PRESS RELEASE

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CALIF. MONITOR REPORT SHOWS 50% MORE MORTGAGE SETTLEMENT RECOVERY THAN PROMISED

IRVINE, Calif. (Sept. 23, 2013) **—** The California agreement, signed as part of the national mortgage settlement, has resulted in more than $18 billion in relief for the state's homeowners—or about 50% more than mandated by the 2012 agreement, according to the state settlement monitor. For the first time, county-level numbers are available to measure the distribution of mortgage assistance to communities across the state.

California Monitor Katherine Porter, a professor at UC Irvine School of Law, found that about half of this relief came from principal reductions to homeowners. Such relief lowers payments and helps homeowners save their homes from foreclosure. The other half came in the form of short sales, which relieve families from any mortgage debt that exceeded the sale value of their homes.

As a result of the California agreement, 84,102 California families received more than $9.2 billion in first- and second-mortgage principal reduction. First-mortgage principal reductions totaled $4.5 billion; the average loan reduction was $137,280. Second-mortgage relief provided by banks totaled $4.7 billion, with the average per loan exceeding $90,000. Bank of America forgave the entire amount of second mortgages for over 36,000 California homeowners, providing more than $3.3 billion worth of relief.

Short sale relief totaled $9.2 billion. Families benefit from more favorable treatment in credit reports with short sales than alternatives. Compared to foreclosures, short sales also give families time to look for alternative housing or move at a more convenient time. Some received cash payments to assist in their transition to new homes.

The $18.4 billion received under the California settlement, combined with relief provided Californians under the national settlement, amounts to more than $20.2 billion in mortgage assistance in the state. "A county-level analysis shows where homeowners got help, including the number and amount of principal reductions in the counties hardest-hit by the foreclosure crisis," said Porter.

In early 2012, Harris negotiated the California agreement in conjunction with the $25 billion national mortgage settlement. The nation's three largest mortgage companies—Bank of America, JP Morgan Chase, and Wells Fargo—agreed to deliver $12 billion in mortgage assistance to California families. More information about the relief from the state settlement, including a fact sheet with mortgage data each county, is contained in the fourth report of the California Monitor, available at http://californiamonitor.org/

About the California Monitor Program: On March 16, 2012, Attorney General Kamala D. Harris appointed Prof. Katherine Porter to serve as independent California Monitor for the mortgage settlement. As Monitor, Porter is charged with assisting homeowners in obtaining relief, educating advocates and the public, and tracking the performance of lenders on their promises. The California Monitor Program is located at the University of California, Irvine School of Law. http://californiamonitor.org/