

# HOMESTEAD DECLARATION?

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## **WHAT IS A HOMESTEAD DECLARATION?**

A property recorded Homestead Declaration protects the declarant from losing a portion of his/her equity due to lawsuits that result in judgment liens being attached to their property.

## **WHO IS ELIGIBLE FOR A HOMESTEAD DECLARATION?**

All homeowners that reside in their home, and use it as their principal place of residence.

## **WHAT ARE THE CURRENT AMOUNTS OF PROTECTION?**

The equity that is protected from the lien attachment, is as follows:

- Each person owning an interest in the home, such as an unmarried co-owner: \$50,000
- Head or member of family: \$75,000
- Husband and Wife: \$75,000
- Single (65 years and older or disabled): \$125,000
- Husband and Wife (when both is 65 or disabled): \$125,000

## **DO THESE AMOUNTS EVER CHANGE?**

Yes. Periodically, The California State Legislature will raise the amounts of entitlement. The homeowner will automatically receive the amount of the increase, without having to re-file additional paperwork.

## **CAN I REMOVE THE HOMESTEAD?**

Yes. There are three ways this can be accomplished:

1. You can record a document called "Abandonment of Homestead".
2. If you sell your home, the Homestead is automatically removed.
3. By operation of law, if you change your principal place of residence and you record a new homestead, the first homestead that you recorded will cease to exist.

## **WHAT ITEMS ARE NOT COVERED BY THE HOMESTEAD?**

To name a few:

1. Judgments for spouse or child support.
2. Tax Liens and Mechanic's Liens.
3. Judgments recorded before your Homestead.
4. Loans or debts secured by the property (Deed of Trust).



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