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Home Front

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A blog about the economy and the Sacramento-area real estate market.

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Activists: CalHFA principal writedown plan is bank "bailout"

WEDNESDAY A.M. UPDATE: Here is the full version of this morning's story.

A \$700 million plan to prevent 40,000 California foreclosures came under fire this morning by activists and struggling homeowners who called it another bailout for the nation's largest banks.

Groups including the Service Employees International Union, One La-Industrial Areas Foundation and Communities Organized for Relational Power in Action staged a news conference and later made presentations to the California Housing Finance Agency.



They argue that CalHFA's plans to spend \$420 million to partially pay off mortgages of struggling California homeowners unfairly subsidizes losses by large lenders and leaves the homeowner still owing too much to avoid foreclosure.

The full story runs in Wednesday's Bee. But CalHFA said it is sticking with its plans that begin Nov. 1 - at least until they know if they help people avoid foreclosure.

More Home Front photos from the news conference below:

