

**COUNTY OF LOS ANGELES
DEPARTMENT OF CONSUMER
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Homesteads

Equity Protection
for Homeowners



Information for Homeowners

Homestead Protection

If you are sued in court and lose, the person who sued you may try to force the sale of your home to collect their money. A homestead makes it harder for them to do this.

A homestead protects some of the equity in your home. If your home is worth more money than you owe on it, you have *equity*. For example, if your home is worth \$350,000 and you owe \$300,000, you have \$50,000 in equity. A homestead can protect the \$50,000.

There are two types of homesteads, *automatic* and *declared*.

What is an automatic homestead?

If you live in the home you own, you already have one. It protects some of your home equity until you sell your home. You do not have to sign or file anything to have an automatic homestead.

What is a declared homestead?

A *declared homestead* is a legal form that you record with the Registrar-Recorder's office. A declared homestead protects some of your equity for six months after you sell your home if you do the following three things:

- You sell your home and buy another home within six months;

- The protected amount is used to buy another home;
- You record a homestead on the new home.

Only the home you live in qualifies for a homestead.

Who needs a declared homestead?

If you've been sued in court, lost, and have a large money judgment against you, a declared homestead can help. If you sell your home, it protects some of the proceeds for six months. This gives you time to buy another home and record another declared homestead.

How much does a homestead protect?

Both automatic and declared homesteads protect the same amounts:

- \$75,000 for an individual;
- \$100,000 if the homeowner lives with at least one family member who has no interest in the house;
- \$175,000 if the homeowner is 65 years of age or older, or is physically or mentally disabled;
- \$175,000 if the homeowner is 55 years of age or older and single with an annual income of \$15,000 or less;
- \$175,000 for a married couple with a combined annual income of \$20,000 or less;

A homestead does *not* protect you against:

- Foreclosure of your home by mortgage lender if you are behind on payments. (See our brochure, *Foreclosure*);
- The enforcement of a mechanic's lien;
- A judgment for child or spousal support.

How do I file a declared homestead?

You can file a declared homestead by taking these steps:

1. Buy a declared homestead form from a stationery store, or download one online from the Registrar-Recorder's website at: lavote.net.
2. Fill out and sign the form.
3. Have the form notarized.
4. Contact the Registrar-Recorder's office where the property is located for fees and filing addresses. In Los Angeles County, call (562) 462-2125.

Companies offering to help you file a declared homestead cannot charge more than \$25.

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