



What is a homestead?

A. A **homestead** is the dollar amount of equity you have in your home that you qualify to exempt from **creditor seizure**.

The dollar amount of the homestead you hold in equity in your home has priority on title over most judgment liens and some government liens, but not your mortgages.

Two types of *homestead* protections are available to California homeowners:

- the **declaration of homestead**, which is recorded; and
- the **automatic homestead**, also called a *statutory homestead exemption*, which is not recorded.

Both homestead arrangements provide the same dollar amount of home equity protection in California. However, you need to record a declaration of homestead to receive all the benefits available under the homestead laws. These benefits allow you the right to sell, receive the net sales proceeds up to the dollar amount of the homestead and reinvest the funds in another home.

As a homeowner, you qualify for one of three dollar amounts of *net equity* homestead protection:

- a \$75,000 equity as an individual homeowner with no dependents;
- a \$100,000 equity as a head of household; or
- a \$1750,000 equity if you are:
 - 65 years or older;
 - disabled; or
 - age 55 years or older with an annual income of no more than \$25,000 or a combined gross annual income of no more than \$35,000 if married.

The homestead declaration needs to be **signed**, **notarized**, and **recorded** to take effect. Your recorded homestead does not affect your creditworthiness.

Any one of several individuals may sign and record the homestead declaration, including:

- you as the owner of the homestead;
- your spouse; or
- the guardian, conservator, or a person otherwise authorized to act on your or your spouse's behalf, such as an attorney-in-fact.