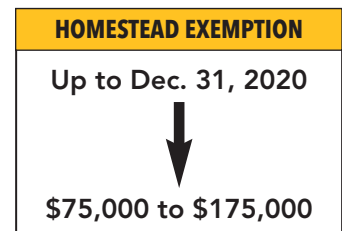


California AB1885

California Homestead Exemption

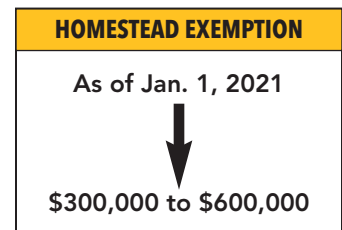
On September 15, 2020, California Governor Gavin Newsom signed into law Assembly Bill 1885 which, beginning on January 1, 2021, increases the creditor homestead exemption for personal residences.

Prior to January 1, 2021, California Code of Civil Procedure § 704.730 stated that a specified portion of equity in a homestead is exempt from execution to satisfy a judgment debt and prescribes that the amount of the homestead exemption is \$75,000 for a single homeowner, \$100,000 for married couples or heads of household, or \$175,000 for those over 65 years of age or disabled.



EFFECTIVE JANUARY 1, 2021, California Code of Civil Procedure § 704.730 states as follows:

- (a) The amount of the homestead exemption is the greater of the following:
- (1) The countywide median sale price for a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed six hundred thousand dollars (\$600,000).
 - (2) Three hundred thousand dollars (\$300,000).
- (b) The amounts specified in this section shall adjust annually for inflation, beginning on January 1, 2022, based on the change in the annual California Consumer Price Index for All Urban Consumers for the prior fiscal year, published by the Department of Industrial Relations.



The homestead exemption applies when a creditor attempts to enforce a money judgment against a qualified dwelling. The exemption does not generally apply with respect to the enforcement of property taxes, state or federal tax liens, assessment liens or voluntary liens like a deed of trust.

For more information, visit: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1885



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