



Florida guaranteed \$4 billion in mortgage settlement

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Jeremiah Jacobson / WINK TV

FORT MYERS, Fla. - America's biggest banks are ready to pay up more than \$25 billion to try to solve the country's mortgage mess. Now, we're learning how struggling Florida homeowners could benefit from the settlement.

There are 48 states involved in this deal, but Florida will be one of just two to get guaranteed money: at least \$4 billion in mortgage relief.

The money comes from a \$25 billion National Mortgage Settlement involving five of the country's largest lenders: Bank of America, Citigroup, JPMorganChase, Wells Fargo and Ally.

Attorney General Pam Bondi says Florida's share amounts to \$4 billion in settlement credits, with an \$8 billion total cash value.

\$3.1 billion of that money will go to help financially-troubled borrowers cut their payments.

"The \$3.1 billion is the holy grail of mortgage loan workouts for borrowers," said attorney Kevin Jursinski. "\$3.1 billion will pay down your mortgage, which is going to be great for those in trouble to actually get real relief, and dollar relief."

\$309 million is set to help underwater borrowers refinance. Jursinski said it appears the settlement will even offer help to reduce high interest rates for homeowners who are current on their payments.

"Their complaint is, we're paying, why don't we get help? Well, help is here," Jursinski said. "Help is here in the form of , we'll give you an interest rate reduction, even though your house could never get refinanced in a traditional manner."

\$171 million will go to Floridians who have already lost their homes. But that would amount to \$1,800 to \$2,000 for qualifying borrowers.

"\$1,800 to \$2,000 isn't going to do anything for these people. That really is a slap in the face," said Eddie Felton at the Home Ownership Resource Center in Lee County.

Felton says that part of the deal may be too little, too late.

The Home Ownership Resource Center works to help keep people in their homes. The organization could get part of a \$334 million payment from the settlement to prevent future foreclosures.

"Because of the lack of funding, we've basically had to turn people away," Felton said.

Jursinski says the key for struggling homeowners will be to apply for help as soon as possible.

"\$3.1 billion is a huge amount, its just not going to be enough to take care of everybody," Jursinski said. "People need to get, apply and move forward of this, take advantage of this great settlement."

The court orders need to be finalized before the banks start offering the help. A timeline for that isn't clear, but part of the deal would leave the banks facing tough penalties if they don't pay out as promised.