

WHAT DOES IT MEAN TO BE “IN FORECLOSURE”?

People use the phrase “in foreclosure” to mean a lot of different things. In California, foreclosure is a long process. It begins with a missed payment and can lead to a foreclosure sale. This page contains information to help you:

- Understand what is happening during a foreclosure on a mortgage
- Know what could happen next
- Plan for your future

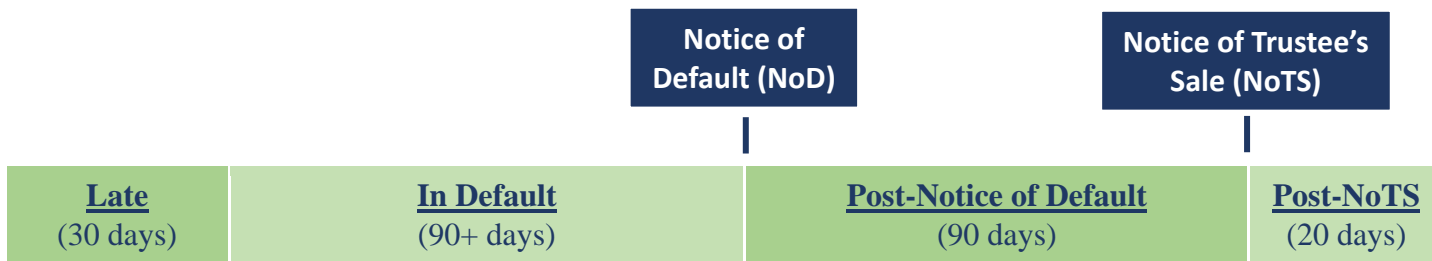
It does not cover what happens if a homeowner’s association is foreclosing on a lien.

THE FORECLOSURE TIMELINE

The foreclosure timeline involves six steps:

- Being late on your mortgage payment (0-30 days)
- Being in default on your mortgage (90+ days)
- Getting a Notice of Default (90 days)
- Getting a Notice of Trustee Sale (20 days before the sale date)

Because there can be very little time between the Notice of Default and the Notice of Trustee Sale, it is important that you speak with a HUD-approved housing counselor as early in the foreclosure timeline as possible. To find a counselor, go to [Financial Counseling](#).



LATE: THE FIRST 30 DAYS

Many mortgage companies have a 15-day grace period before your payment is late. For example, if you miss a payment that is due on January 1st, your payment might not be considered “late” until the 15th. At this point, you are not in foreclosure, but you should talk with a housing counselor right away.

IN DEFAULT: THE NEXT 90 DAYS

If your payment is late more than 30 days, you will go into default on your mortgage.

Here is what to expect during default:

- Your mortgage company will start talking about foreclosure. If you call them, they may tell you that your loan has been “referred to foreclosure.” This just means that the servicer has started the internal processes leading up to a Notice of Default.
- Once you get the Notice of Default, the official foreclosure process will have begun. The default stage should last at least 90 days. A few years ago, when there was a backlog of foreclosures, a loan could spend years in default. Nowadays, things move much faster.
- During default, your mortgage company should contact you and offer to discuss foreclosure prevention alternatives. Alternatives to foreclosure include sale, refinance, loan modification, short sale and deed in lieu. Don’t ignore these letters and calls. For help figuring out which option is best for you, speak with a HUD-approved housing counselor.

Here are steps you can take during default:

- Work with a housing counselor to figure out which options are best for you
- Consider applying for a loan modification
- Respond promptly to all letters and calls from your mortgage company.
- If you speak with someone at your mortgage company, get the person’s full name and employee ID number, take notes and ask the person to put their notes in the company’s computer system. New rules require your mortgage company to assign you a Single Point of Contact (SPOC). The SPOC can be one person or a team of people who know about your loan and are working with you on foreclosure prevention alternatives.
- Exercise your rights and request copies of your promissory note, deed of trust (mortgage) any assignments or transfers of your mortgage from one lender to another, a copy of your payment history since you were last less than 60 days overdue. If you spot any mistakes or irregularities in these documents, consult with an attorney.

POST-NOTICE OF DEFAULT (90+ DAYS)

A Notice of Default is the official beginning of the foreclosure process. A Notice of Default is a document that your servicer records at the County Recorder's office and sends to you by both regular mail and registered or certified mail. In some counties, including Los Angeles County, the County Recorder's office also sends the Notice of Default to the homeowner. If the Notice of Default has been recorded, it is nearly impossible to argue that you didn't receive it.

When the Notice of Default is recorded, it starts a countdown to the next step in the process, which is the recording of a Notice of Trustee Sale, the official name for the foreclosure sale at which your property will be sold to pay off your mortgage.

If you are in this stage of the foreclosure process, you can:

- Explore your options with a housing counselor
- Still apply for a loan modification or other foreclosure relief, which is best to do before you get the Notice of Trustee Sale
- Avoid getting scammed by taking our [Foreclosure Rescue Scams Legal Check-Up](#)

POST NOTICE OF TRUSTEE SALE: 20 DAYS AND COUNTING

The Notice of Trustee Sale is the final warning before the home is sold. The Notice of Trustee Sale must be recorded at the County Recorder's office and sent to you by both regular mail and by registered or certified mail. It must also be posted at your property and published in a newspaper.

20 days after recording the Notice of Trustee Sale, your mortgage company can sell your home. The foreclosure sale is done by a foreclosure trustee, whose name and contact information will appear on the Notice of Trustee Sale.

You have up until five days before the sale to cure the default and reinstate the loan. To reinstate the loan, you pay must the entire amount that you have fallen behind, so that the loan is in the same position as if you had never missed a payment. The reinstatement amount is listed on the Notice of Trustee Sale.

If you have gotten the Notice of Trustee Sale:

- Seek immediate assistance from a free HUD-approved housing counselor. Let them know that you have already received a Notice of Trustee Sale.
- Keep in touch with both your mortgage company and the foreclosure trustee named on the Notice of Trustee Sale. Even if your mortgage company agrees to postpone the sale, there is no guarantee that message will get through to the foreclosure trustee, who is the one who actually conducts the sale.
- If you cannot afford to keep the home, plan for the future. For more information on what to do after foreclosure, take our [Homeowner and Tenant Rights Post-Foreclosure Legal Check-Up](#).