

Foreclosure Timeline

When borrowers fall behind in their payments, they can expect lenders to react in specific ways at specific times. Here's a look at the timeline from late payment to foreclosure.

Day 1 – 60

The mortgage payment is due and not paid. A late charge is assessed. The company that processes the borrower's payments begins to attempt to make contact with the borrower to find out why the payment is late. File is sent to the Collection Department. The servicer sends a “demand” or “breach” letter to the borrower pointing out that terms of the mortgage have been violated. The borrower is given 30 days to resolve the situation by paying the delinquent amount.

Day 90 – Notice of Default

Foreclosure proceedings start with a Notice of Default (NOD). The document is recorded at the request of the lender by the trustee and is recorded in the county in which the property is located. The recording of Notice of Default gives “Constructive Notice” to the public. After the recording of the Notice of Default, in the state of California, the borrower and junior lien holders are given proper notification and the borrower has 90 days to bring their account current. This period is referred to as the Reinstatement Period.

Day 180 – 201

If the borrower does not reinstate their account within the 90 day period, the lender will authorize and instruct the Trustee to record the Notice of Trustee Sale (NOS). After 21 days of the recording of the NOS, a foreclosure sale can take place at public auction. The property may be sold to a third party bidder or revert back to the lender for a specified amount.

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