

## Alternatives to Foreclosure



### Explore your Options!

#### Refinancing

Before missing any payments, explore refinancing options with your lender or other financial institution in order to maintain an affordable loan.

#### Loan Modification

A loan modification changes the terms and conditions of your loan to accommodate your financial situation by lowering your interest rate and/or extending the term of the loan.

#### Repayment Options & Forbearance

A lender may agree to add missed payments to your principal or forbear for a period of time from enforcing the express terms of the loan with the intent to allow you to bring your loan current.

#### Short Sale

If you owe more than what your house is worth, the lender may allow you to sell your home for the current fair market value. The determination of whether a short sale occurs is in the lender's sole discretion. The difference between the final sales price and what is owed may be forgiven, but it could be taxed as income. Consult a tax advisor.

## Where To Get Help

**Fair Housing of Marin** (415) 457-5025  
[www.fairhousingmarin.com](http://www.fairhousingmarin.com)

**Marin Family Action** (415) 444-0915  
[www.marinfamilyaction.org](http://www.marinfamilyaction.org)

**Marin County District Attorney  
Consumer Protection Unit** (415) 499-6495  
[www.co.marin.ca.us/da](http://www.co.marin.ca.us/da)

#### Useful Websites

[www.hud.gov](http://www.hud.gov)

[makinghomeaffordable.gov](http://makinghomeaffordable.gov)

[http://www.foreclosurelaw.org/  
California\\_Foreclosure\\_Law.htm](http://www.foreclosurelaw.org/California_Foreclosure_Law.htm)

[http://www.consumer-action.org/english/  
articles/saving\\_your\\_home\\_from\\_foreclosure](http://www.consumer-action.org/english/articles/saving_your_home_from_foreclosure)



**For Foreclosure Counseling, contact  
Fair Housing of Marin**

615 B Street  
San Rafael, CA 94901

Phone: (415) 457-5025  
Fax: (415) 457-6382  
TDD: (800) 735-2922

Se habla español  
Nói tiếng Việt Nam, xin gọi  
(415) 491-9677



## Where Are You....

# In the Foreclosure Process?

- ◆ The Foreclosure Steps
- ◆ What You Can Do
- ◆ Alternatives To Foreclosure
- ◆ Where To Get Help



**FAIR HOUSING OF MARIN**  
**HUD APPROVED HOUSING  
COUNSELING AGENCY**

# The 5 Steps of the Foreclosure Process

## Step 1 - Default Payments

Foreclosure proceedings can begin after a single missed payment. However, most lenders generally wait until the second missed payment before they begin the foreclosure process.

## Step 2 - Pre-foreclosure Requirements

If your loan was obtained between 1/1/03 and 12/31/07, then the lender may not record a Notice of Default (Step 3 below) without first contacting the borrower to assess his/her financial situation and explore options to avoid foreclosure.

## Step 3 - Notice of Default

Generally, after two missed payments, the lender may record with the county recorder a Notice of Default (NOD.) After recording a NOD, the lender will not accept partial payments and will add trustee's fees and related foreclosure costs to any delinquent amount. The NOD period lasts 90 days.

## Step 4 - Notice of Sale

After ninety days from the NOD, if the homeowner cannot cure the default or find an alternative to avoid foreclosure, the lender may record a Notice of Sale (NOS.) The NOS period lasts 21 days before the foreclosure sale. The homeowner's right to reinstate the loan expires five business days prior to the sale date.

## Step 5 - Foreclosure Sale

On the sale date, the lender or another third party bidder can purchase the property, or the auction can be postponed. If no bid higher than the lender's opening bid is received, the property is then conveyed to the lender and a trustee deed is recorded. In California, there is no redemption period (meaning the legal right to cure after the completion of a non-judicial foreclosure.)

**Note: The foreclosure process and timing may vary with each individual case. Contact your lender or a qualified housing counseling agency, such as FHOM, as soon as you default in your payments to determine your options. In addition, check with your tax advisor to assess tax repercussions.**



### Fair Housing of Marin (FHOM) HUD Approved Housing Counseling Agency

- ◆ Foreclosure education / clinics
- ◆ Default / budget counseling
- ◆ Financial assessment to determine best options
- ◆ Predatory lending investigation

# What You Can Do



## Educate Yourself

Learn about the foreclosure process and know your options.



## Be Proactive

Don't hide from the problem or ignore letters or calls from the lender.



## Call your Mortgage Company

Try to negotiate with your lender and make a personal contact.



## Talk to a Housing Counselor

Contact a HUD Approved Housing Counseling agency, such as FHOM, or an effective foreclosure agency.

