



AMERICA'S QUICK HOME BUYERS ★

OWNER GUIDE · FORECLOSURE OPTIONS · SACRAMENTO, CALIFORNIA

The Sacramento Foreclosure Options Sheet

What to do, in what order, when you have a Notice of Default or a Notice of Trustee Sale.

If you are holding one of these letters, you probably read it three times and still could not tell what happens next. That is on purpose, or close to it. The notices are written in legal language, and the dates that matter are buried in them. Most owners also do not know that **California gives you more room than the letter suggests, and that the room runs out on a specific day.**

This sheet shows you how the California timeline works, how to find your own dates, the options in the order worth trying them, and where to get free help.

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1 The California timeline, start to finish

Most California foreclosures are "nonjudicial": no court case, just recorded notices. Here is the sequence, with the rule behind each step.

1. Before the Notice of Default. If your loan is a first mortgage on the home you live in (one to four units), the servicer must try to reach you by phone or in person to talk about ways to avoid foreclosure, and then wait 30 days before recording the Notice of Default. They must also give you the HUD counselor line, and you can ask for a follow-up meeting within 14 days. (Civil Code 2923.5.) Federal rules add that a servicer generally cannot start foreclosure until you are more than 120 days behind.

2. The Notice of Default (NOD). This is the first public step. It is recorded with the county, and a copy comes to you by mail. It lists what you owe and starts the three-

month clock.

3. At least three months later: the Notice of Trustee Sale (NOS). The law says three months must pass after the NOD is recorded. The notice of sale can be recorded up to five days early, but the sale itself cannot be earlier than three months and 20 days after the NOD. (Civil Code 2924.)

4. At least 20 days after that: the sale. The notice of sale must be posted, recorded, and published at least 20 days before the sale. It is held at auction on a business day between 9 a.m. and 5 p.m. (Civil Code 2924f and 2924g.) In practice the earliest possible sale is roughly four months after the NOD.

5. Postponements. Sales are postponed all the time. The sale can be pushed back, in total, up to 365 days from the date on the notice before the lender has to start over with a new notice. (Civil Code 2924g.) So the date printed on your notice may not be the real date.

2 How to find YOUR dates

Do not guess from the letter. Do these three things:

- **Find the recording date on your Notice of Default.** Add three months. That is the earliest your Notice of Sale can come.
- **Look at the Notice of Sale for the trustee's name and phone number.** The law requires the notice to include a phone number and a website where the trustee posts the current sale date, using your file number, and they must make this free. (Civil Code 2924f.) Call or check it. If the date moved, that is where it shows.
- **Write down the reinstatement deadline** (next section). That date comes before the sale date, and it is the one people miss.

3 Two deadlines that are earlier than they look

Reinstatement (catching up). You can stop the foreclosure by paying every past-due payment plus the allowed fees and costs. The right lasts from the day the NOD is recorded until **five business days before the sale date**. After that, only paying the entire loan balance works. If the sale is postponed by more than five business days, the right comes back and runs again to five business days before the new date. (Civil Code 2924c.) Ask the servicer in writing for an itemized reinstatement figure; the law lets you request one.

Redemption (paying the whole loan). You can pay off the entire balance up to the day of the sale. There is no right to buy the house back after a nonjudicial foreclosure sale. Once the gavel falls, it is final, apart from the limited rights below.

4 The trap almost nobody knows

A listing agreement or a purchase contract can buy you an extra 45 days, but only if it reaches the trustee in time.

For homes with one to four units, California law (Civil Code 2924f) says:

- If the trustee receives a listing agreement with a California-licensed real estate broker, by certified mail or tracked overnight courier, **at least five business days before the sale date**, the sale is pushed back an additional 45 days. This works once.
- After that, if the trustee receives a signed purchase agreement at least five business days before the new date, for a price equal to or greater than everything owed on the property, the sale moves to at least 45 days after the trustee receives it. This also works once.

Both depend on you getting the paperwork to the trustee in the right way and before the cutoff. Ask a lawyer or HUD counselor to walk you through it. This is the owner's right under the statute, nobody else's to use for you.

Also worth knowing: on the first sale date for a first mortgage on a home with one to four units, the trustee cannot sell if the opening bid would be below 67 percent of the property's fair market value as given to the trustee. If it does not sell, the sale is postponed at least seven days, and then it can sell.

5 Your protections while this is happening

If your loan is a first mortgage on the home you live in (one to four units), California's Homeowner Bill of Rights applies.

- **No "dual tracking."** If you submit a complete application for a first-lien loan modification at least five business days before the scheduled sale, the servicer cannot record a Notice of Default or Notice of Sale, or hold the sale, while it is pending. If they deny you, you get at least 30 days to appeal, and the sale stays on

hold until about 31 days after the denial letter (longer if you appeal). (Civil Code 2923.6.)

- **A federal deadline you should know.** Under the federal rule, the servicer only has to formally review your complete application if it arrives more than 37 days before the sale. Do not wait for the last month.
- **A single point of contact.** You are entitled to one person to deal with during the process.
- **A written deal stops the clock.** Once a modification, forbearance, or repayment plan is approved in writing, the servicer cannot move toward a sale while you keep up with it. (Civil Code 2924.11.)
- **No application fees** for a first-lien modification or similar alternative.
- **You can sue** if the servicer breaks these rules.

These protections apply to first mortgages on owner-occupied homes. Second loans, rentals, and some other loans are treated differently. A free HUD counselor can tell you which side of the line you are on.

6 The options, in the order to try them

1. Reinstate (catch up).

If you can come up with the past-due amount plus fees by five business days before the sale, this ends the foreclosure and puts the loan back in good standing. Start by asking for the exact reinstatement figure in writing. Money can come from savings, family, a work bonus, or an insurance or tax refund, and it is the cleanest way out when it is possible.

2. Forbearance or a repayment plan.

Your lender may agree to pause or lower payments for a set time, or to spread the missed payments over future months. These are usually temporary. The agreement should be in writing before you rely on it.

3. Loan modification.

The servicer permanently changes the loan terms: a longer term, a lower rate, a different payment schedule, sometimes a lower balance. Lenders typically want to see that you can afford the new payment, so expect to document your income with pay stubs or bank statements, list your monthly expenses, and explain what caused the

missed payments. A modification is more likely when your income can support the new payment. Apply early, because of the 37-day rule above. If part of the balance is forgiven, ask a tax advisor how it is treated.

4. Refinance.

A new loan pays off the old one. It usually requires decent credit, steady income, and equity, and the house generally needs to be in condition a new lender will finance. Refinancing is much easier before a Notice of Default is recorded than after.

5. Bridge or hard-money loan.

This is a short-term loan from a private lender, used to cover the past-due amount. Be careful. These loans usually carry much higher interest and fees than a regular mortgage, are short in term, and are secured by your home. If you miss a payment or cannot pay or refinance at the end, the new lender can foreclose too. Read every page, and have a lawyer or HUD counselor read it before you sign.

6. Bankruptcy.

Filing triggers an "automatic stay" that pauses the sale while the case is open. It does not erase a mortgage you want to keep, and it adds court costs, attorney fees, and long-term credit effects. Chapter 13 can let you repay missed payments over three to five years. Talk to a bankruptcy attorney before deciding.

7. Short sale.

If the house is worth less than you owe, the lender may agree to accept the sale price as payoff. It needs the lender's approval and a buyer, so it takes time. Ask the lender, in writing, whether they will forgive the remaining balance and whether the forgiven amount could be taxable. Some lenders pay moving help in a short sale; ask yours.

8. List with an agent.

If you have equity, a regular sale pays off the loan from the proceeds and the rest is yours. Listing takes time: prep, showings, a buyer's financing and inspection, and escrow. A buyer's deal can fall through weeks after you accept it, and the home usually has to be in condition a new lender will finance. If the sale date is close, a listing agreement may qualify for the 45-day postponement described above, so get it to the trustee on time.

9. Sell to a cash buyer.

A cash buyer purchases as-is, so there are no repairs or buyer financing to fall through, and closing can be fast. The tradeoff is that cash offers are usually below what a full market listing could bring. California has special rules for buyers who purchase homes that are in foreclosure. Compare more than one offer, ask for everything in writing, and have an attorney read the contract before you sign.

A word on deed-in-lieu.

You can offer to hand the deed to the lender instead of going through the sale. Lenders sometimes accept, and it may carry less credit damage than a foreclosure. It only works if the lender agrees and there are no other liens.

7 If you are not sure how you feel about all this

Almost everyone in this spot goes through some version of the same things. Denial ("there must be a mistake"). Anger (at the bank, the servicer, the letters). Bargaining ("if I just work harder, they will let me keep it"). Sadness over a house full of memories. And then, usually, acceptance: "This is happening. What can I actually do?"

None of that means you did something wrong. Foreclosure is far more common than people admit, and most people in it are not talking about it. You do not have to figure it out alone, and the people below do not charge you.

8 Free help that is real

Start here: HUD-approved housing counselors, (800) 569-4287

TTY (800) 877-8339. Foreclosure counseling is free. They can explain your options, help you prepare and send an application, and talk to your servicer for you if you give written permission.

- **Homeownership Preservation Foundation: 888-995-HOPE (4673).** A free hotline listed by the California Attorney General for people at risk of foreclosure.
- **California Attorney General, Homeowner Issues:** oag.ca.gov/consumers/homeowner-issues. The Homeowner Bill of Rights explained, and how to report a servicer that breaks it. The Attorney General cannot give you individual legal advice.

- **LawHelpCA: lawhelpca.org.** Finds free legal aid near you. In Sacramento, Legal Services of Northern California (lsnc.net) handles housing and foreclosure cases for people who qualify.
- **California Courts Self-Help Guide: selfhelp.courts.ca.gov/foreclosures.** Plain-language guides for owners and for tenants.
- **Your servicer.** The phone number is on your monthly statement. Call before you do anything else, and keep a log of the date, the person's name, and what was said. Put important requests in writing.

9 Scams to watch for

Foreclosure notices are public. Within days of yours being recorded, expect mail and calls from people who "can help."

- **Anyone who asks for money up front.** In California, a foreclosure consultant cannot collect any fee until after they have fully done everything they promised (Civil Code 2945.4). The same is true for anyone charging to negotiate a loan modification or forbearance (Civil Code 2944.7). Violations carry fines and jail time.
- **Anyone who wants you to sign over the deed** as part of a "rescue," "bailout," or "leaseback." You can lose the house and the equity.
- **Anyone who tells you to stop talking to your lender,** stop making payments, or send them your payments instead.
- **Anyone who asks you to sign papers you do not understand,** or who pressures you to decide today.
- **Anyone who guarantees a result.** Nobody can.

If you are unsure about an offer, call the HUD line above and ask. It is free, and they have seen every version of this.

10 After a sale, if it gets that far

- **Surplus money.** If the house sells for more than you owed, the extra belongs to you. Give the trustee your new address so they can reach you. Nonprofits such as HERA (heraca.org) explain how to claim it for free. Be wary of anyone who asks for a cut to help you claim it; that is restricted by law (Civil Code 2945.4).
- **You can't be locked out the next day.** The new owner has to serve you a 3-day written notice to quit, and if you stay they must go through a formal court eviction,

which takes weeks.

- **Tenants.** If you rent in a home that is sold in foreclosure, you generally have the right to at least 90 days' notice, and you may be able to stay through the end of your lease. Tenants and certain nonprofit bidders may also have a right to buy the home after the auction by matching or exceeding the winning bid (Civil Code 2924m, in effect through 2030). The deadlines are short (15 and 45 days after the sale), so get legal help right away.

This sheet is general information, not legal or financial advice. Statutes verified against California Legislative Information, California Courts Self-Help, the California Department of Real Estate foreclosure guide, HUD and the CFPB as of October 2026. Laws change and every case is different; confirm your dates with the trustee named on your notice, and talk to a HUD-approved counselor or attorney before you decide. A free resource from America's Quick Home Buyers. © America's Quick Home Buyers · 3104 O Street #387, Sacramento, CA 95816. Not affiliated with any lender, servicer, trustee, court, city or county. · [Privacy Policy](#) · [Terms & Conditions](#)