

Timeline of a Foreclosure

This is an estimation of a foreclosure timeline to help inform you on this process and DOES NOT CONSTITUTE LEGAL ADVICE. If you want to learn about your legal rights or if a legal action has been started against you, we recommend you seek legal advice. Consult the Consumer Financial Protection Bureau for a more in-depth timeline and to understand lender requirements – <http://www.consumerfinance.gov/mortgagehelp/> or http://files.consumerfinance.gov/f/201312_cfpb_foreclosure-avoidance-procedures.pdf.

The best actions you can take to try to save your home are to: communicate with your lender, keep a log of interactions with your lender, come prepared to your appointment with OnTrack WNC, and follow through with recommendations made by your counselor in a timely manner.

Month 1

- Mortgage is typically due by the first day of the month.
- There is most often a 15 day grace period after the due date to avoid late fees.
- After a mortgage is 30 days late, it will be reported to credit bureaus.

Month 2-4

- Homeowner could receive a **Letter of Acceleration or a Demand Letter** from the mortgage lender or servicer anytime during this period prior to foreclosure proceedings.
- Homeowner will receive a letter from the NC State Home Foreclosure Prevention fund referring you to a local agency for foreclosure prevention counseling.

Month 5

- For most lenders, after 120 days past due, this is the earliest you could receive an official court document called a **Notice of Hearing**. This states that the hearing is in approximately 30 days from the date the letter is dated.
- Timing of Hearing Date depends on how quickly the lender processes the foreclosure.

Month 6

- For most lenders, this is the earliest possible Hearing Date.
- At Hearing, often times homeowners will ask for more time to work out a solution.
- At Hearing, you will be notified of the Foreclosure Sale Date; sometimes it is included in your Notice of Hearing. Typically it is 20 days after your Hearing Date.

Month 7

- Earliest possible Foreclosure Sale Date conducted on the courthouse steps.
- From the point of your Sale Date, there is a 10 day window when other buyers can outbid the highest bidder, which resets the 10 day window.
- After the 10 day window closes, the lender finalizes the foreclosure. This can take between 2-6 weeks. During this time, the original homeowner still owns the property until the deed is recorded in the lender's name.

Month 8

- If homeowner continues to occupy the property, we recommend you seek legal consultation regarding your rights as a tenant.

Our non-profit mission is to help people achieve their money and housing goals through financial education, counseling, and support.