



RESCUE PLAYBOOK

A step-by-step guide for California homeowners facing foreclosure

What your notices mean, the deadlines that matter, and every option you have while there's still time to use it.



You are not in foreclosure. Your property is.

That difference matters. A Notice of Default starts a legal process with fixed steps and deadlines. Until the auction, you still own your home and you still have choices. This guide explains the California process in plain language so you can use those choices while there's still time.

Which letter do you have?

Behind on payments, no notice yet

Start with Part One. This is when you have the most options.

A Notice of Default

Read Parts One through Four, then fill in the worksheet on page 12.

A Notice of Trustee's Sale (an auction date)

Turn the page now. Some deadlines come before the sale date.

What's inside

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About this guide. It covers California's trustee's sale process, which is how most California home loans are foreclosed, without a court case. It's general information as of October 2026, not legal or tax advice. For advice about your situation, talk to an attorney or a HUD-approved housing counselor (page 13).

Read this page first.

A Notice of Trustee's Sale means an auction date is set. Two of your most important options end **five business days before** that date, not on it.

Today	5 business days before	Sale date
Your notice arrives. The sale is at least 20 days out.	Last day to reinstate, and last day for a listing to postpone the sale	The home is auctioned unless the sale is stopped or postponed

- 1 Find the sale date and the T.S. number.**
Both are on your Notice of Trustee's Sale, along with the trustee's phone number. You'll need the T.S. (trustee sale) number whenever you call.
- 2 Count back five business days.**
Weekends and holidays don't count. That day is your last chance to reinstate the loan, and the last day the trustee can receive a listing agreement that postpones the sale (page 7). If your sale is postponed, ask the trustee which date now applies.
- 3 Get your numbers in writing.**
Ask your loan servicer for two amounts: the **reinstatement amount** (what it takes to catch up) and the **payoff amount** (what it takes to pay the loan in full).
- 4 Get a second opinion today, not next week.**
A free 10-minute file review tells you which options are still open, and what you'd walk away with if you sell before the auction.



Book a free file review

We'll confirm your deadlines, check whether your file qualifies for a postponement, and show you your numbers. No cost and no obligation.

Call or text (619) 389-2542

foreclosurerescueusa.com/sell-before-auction

Understanding the Notice of Default

A Notice of Default (NOD) is recorded with your county. It says your loan is in default and that the home may be sold to repay the debt. It's the official start of foreclosure, and it starts the clock.

When it arrives

- ✓ **Not after one missed payment.** Federal rules generally don't allow foreclosure to start until a loan is more than 120 days behind, about four months.
- ✓ **Not without a call first.** In California, your servicer must contact you, or make a real effort to, at least 30 days before recording the NOD, to go over your finances and your options.
- ✓ **Not privately.** The NOD is public record. That's why agents, investors, and companies you've never heard of start calling. Some can help. Some are scams (page 14).

Sources: 12 CFR §1024.41(f); Cal. Civil Code §§2923.5, 2924.

What to look for on your notice



- A The recording date.** A sale can't be scheduled until at least three months after this date.
- B The amount past due.** It's stated "as of" a date and grows each month with interest and fees. Ask for an updated figure.
- C The trustee and the T.S. number.** The trustee is the company that runs the sale. Keep the number handy.
- D Your right to catch up.** The notice itself says you may bring the loan current, normally until five business days before the sale.

The NOD stage is your best window. You have the most time and the most options now. Every option in Part Four is still open, and you can compare them without a sale date pushing you.

Your first 7 days after a Notice of Default

Small steps now protect your options later. Work through this list in order.

- 1 Keep every notice in one folder.**
Open everything from your lender, servicer, and trustee. Note the date each one arrived.
- 2 Mark your calendar.**
Write down the NOD recording date and the date three months later, the earliest a sale can be scheduled.
- 3 Call your servicer and ask three questions.**
What is my reinstatement amount? What is my payoff amount? What options do you offer, such as a repayment plan, forbearance, or modification? Ask for the answers in writing.
- 4 Gather your documents.**
Most options, from a modification to a sale, need the same paperwork (see the list below).
- 5 Talk to a HUD-approved housing counselor.**
Their foreclosure help is free or low cost. Call (800) 569-4287 to find one near you.
- 6 Know what your home is worth.**
Estimate your equity with the worksheet on page 12. It's the number that decides which options make sense.
- 7 Choose a plan and a backup plan.**
Decide before the Notice of Trustee's Sale arrives. If plan A stalls, you'll still have time for plan B.

Documents to gather

- ✓ Your latest mortgage statement
- ✓ Two months of pay stubs or income proof
- ✓ Your last two years of tax returns
- ✓ Statements for any second loan or HELOC
- ✓ The NOD and any other notices
- ✓ Two months of bank statements
- ✓ A short hardship letter: what happened
- ✓ Property tax, HOA, and insurance bills

Steps in the foreclosure process

Most California foreclosures happen outside of court, through a trustee's sale. State law sets the steps and the minimum time between them.

1	BEFORE ANY NOTICE Missed payments	Your servicer has to reach out about options. Foreclosure generally can't start until you're more than 120 days behind.	YOU CAN Ask about a repayment plan, forbearance, or a modification.
2	DAY 0 Notice of Default recorded	The clock starts. No sale can be scheduled for at least three months.	YOU CAN Catch up, modify, refinance, sell, or arrange a short sale.
3	3+ MONTHS LATER Notice of Trustee's Sale	Sets the auction date, place, and time. It's recorded, mailed, posted on the property, and published, at least 20 days before the sale.	YOU CAN Still catch up, pay off, or sell. A listing can postpone the sale.
4	5 BUSINESS DAYS BEFORE The early cutoff	Last day to reinstate the loan, and last day for the trustee to receive a listing that postpones the sale.	YOU CAN Still pay the loan in full, or close a sale before the auction.
5	SALE DATE Trustee's sale	A public auction at the time and place in the notice. Bidders pay with cash or cashier's checks.	LAST CHANCE Sales are sometimes postponed, but don't count on it.
6	AFTER THE SALE Ownership transfers	The buyer, or the lender if no one outbids the debt, takes title. An eviction can follow.	ASK ABOUT Surplus funds, moving dates, and credit (page 8).

3 months + 20 days

The legal minimum from a recorded NOD to a sale. Many take longer, especially with postponements.

5 business days

The cutoff before the sale for reinstating and for a listing postponement. Weekends and holidays don't count.

Sources: 12 CFR §1024.41(f); Cal. Civil Code §§2923.5, 2924, 2924c, 2924f.

Your rights before the sale

California law gives homeowners real tools during foreclosure. Most of them come with a deadline.



Reinstate: catch up and keep the loan

Pay everything past due, plus allowed fees and costs, and the loan continues as if you never fell behind. You can do this until five business days before the sale.

Cal. Civil Code §2924c



Pay off the loan in full

You can pay the full payoff amount any time before the auction. Most homeowners do this by selling the home or refinancing.



Postpone the sale by listing the home SINCE 2025

For homes with one to four units: when the home is listed with a California real estate broker and the trustee receives the listing agreement at least five business days before the sale, the trustee must postpone the sale at least 45 days. If you then accept an offer for at least the total owed on the property, a signed purchase agreement delivered in time can postpone the sale at least 45 more days.

Details decide whether it works: the right documents, sent the right way, before the cutoff. It generally can't be repeated, and it doesn't apply in every situation.

Cal. Civil Code §2924f, as amended by AB 2424



A price floor at the first auction

At the first scheduled sale, the trustee can't sell for less than 67% of the home's estimated market value. If no one bids that much, the sale is reset at least seven days later, with no minimum.

AB 2424 (2024)



Protection for a complete modification application

If your servicer receives a complete loss-mitigation application more than 37 days before the sale, federal rules generally bar the sale while it's reviewed. Incomplete or late applications often don't stop the sale, so apply early and keep copies.

12 CFR §1024.41(g)

If the auction happens

Knowing what comes after the sale is the best reason to act before it.

Moving out

If you still live there, the new owner can serve a 3-day notice to quit and then file an eviction. Tenants generally get at least 90 days' notice.

Cal. Code of Civil Procedure §§1161a, 1161b

Leftover money (surplus)

If the winning bid is more than what's owed, the extra pays other liens first, then goes to you. You must file a claim with the trustee. If the lender takes the home with its own bid, there's usually nothing left over.

Cal. Civil Code §§2924j, 2924k

The remaining loan balance

After a trustee's sale, the lender that foreclosed generally can't sue you for the shortfall on that loan. A second loan or HELOC can be different, so ask an attorney.

Cal. Code of Civil Procedure §580d

Taxes and credit

Forgiven debt can count as taxable income in some cases, so ask a tax professional. A foreclosure can stay on your credit reports for seven years.

How long before you can buy again

Typical waiting periods before a new mortgage, by loan type.

AFTER A...	CONVENTIONAL (FANNIE MAE, FREDDIE MAC)	FHA	VA
Foreclosure	7 years*	3 years	2 years
Short sale	4 years*	3 years, or sooner if you were current**	Case by case
Regular sale before the auction	No foreclosure or short-sale waiting period, because the loan is paid in full		

*Can be shorter with documented extenuating circumstances. **Varies by situation. Guidelines change, lenders can be stricter, and missed payments still show on your credit.

The bottom line: selling before the auction can protect your equity *and* keep a foreclosure off your record, which can shorten the road to your next home.

Common myths about foreclosure

Each of these costs homeowners time, money, or their equity.

MYTH

~~A Notice of Default means I have to move out.~~

FACT

You own the home until the sale. At least three months must pass before a sale can even be scheduled.

MYTH

~~Once I'm in foreclosure, I can't sell.~~

FACT

You can sell any time before the auction. The sale pays off the loan, and the equity left over is yours.

MYTH

~~Applying for a loan modification stops the sale.~~

FACT

Only a complete application, received early enough, is protected. The sale date can keep moving while you wait, so keep a backup plan.

MYTH

~~The auction will get a fair price for my home.~~

FACT

Bidders pay cash, usually without seeing inside. If no one outbids the debt, the lender takes the home and you receive nothing.

MYTH

~~After foreclosure, I can never own a home again.~~

FACT

Many people buy again after a waiting period of two to seven years. A regular sale before the auction avoids the foreclosure waiting period.

MYTH

~~Everyone who calls about my foreclosure wants to help.~~

FACT

Scammers read public records too. Never pay upfront fees for loan modification help, and never sign over your deed.

One more: "There's nothing I can do now." If you're reading this before your auction date, there is almost always something you can still do. The earlier you start, the more of it there is.

Remedies and solutions

Foreclosure isn't the only path. Here's every common option side by side, and what each one means for your equity.

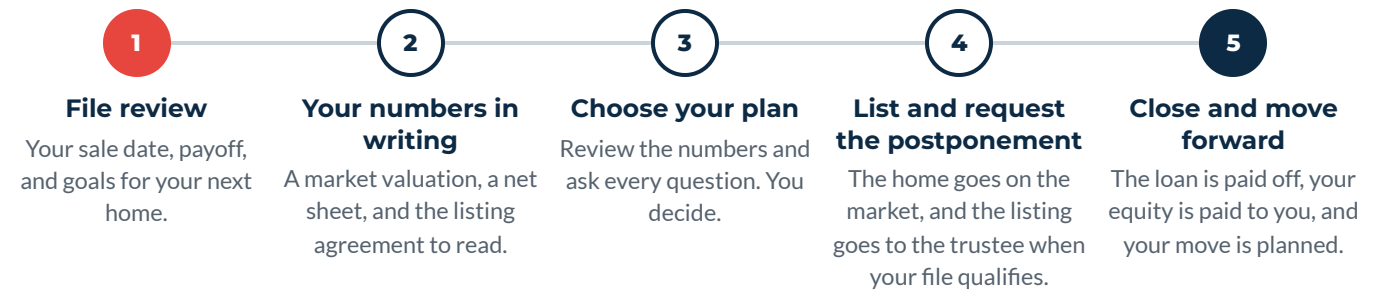
OPTION	HOW IT WORKS	BEST WHEN	WATCH FOR	YOUR EQUITY
KEEP THE HOME				
Reinstate	Pay everything past due, plus fees	You can raise the money in time	Ends 5 business days before the sale	Keep it all
Repayment plan or forbearance	Spread out or pause past-due amounts	The hardship is temporary	Get the terms in writing	Keep it all
Loan modification	Change the loan terms to lower the payment	Your income supports a new payment	Slow; apply complete and early	Keep it all
Refinance	A new loan pays off the old one	Strong equity, credit, and income	Hard to qualify while in default	Keep it all
LEAVE ON YOUR TERMS				
Sell on the open market	List with an agent; buyers compete	You have equity	Timing. A listing can postpone the sale	Most, after costs
Short sale	The lender accepts less than it's owed	You owe more than the home is worth	Lender approval takes time	None, but the debt is settled
Deed in lieu	Give the home back to the lender	No equity, and the lender agrees	Lenders often say no	None
Sell to a cash investor	A fast, as-is sale	Speed matters most, or major repairs	Offers well below market	Often a fraction
DO NOTHING				
Trustee's sale	The home is sold at auction	Rarely the best choice	Eviction and credit damage	Little or none

Want to keep the home? Start with your servicer and a HUD-approved housing counselor (page 13). Apply early and keep copies of everything.

Have equity, but keeping it isn't realistic? Selling on the open market usually leaves you the most money. See the next page.

Selling before the auction, step by step

When you have equity, an open-market sale puts buyers in competition for your home, pays off the loan at closing, and sends the rest to you.



Questions to ask any listing agent

- ✓ Have you sold homes with a scheduled trustee's sale?
- ✓ How will you get the postponement request to the trustee, and when?
- ✓ What will I net, in writing, before I sign?
- ✓ Do I pay anything upfront? (You shouldn't.)

Plan your next home first

Where you'll live after closing should be decided before you list. Depending on your credit, income, and timing, that can mean buying again, seller financing, rent-to-own, or renting. Time your move-out to match your closing date.

If you owe more than it's worth

A short sale asks your lender to approve a sale for less than the payoff. Approval isn't guaranteed and takes time, so start early. In California, lenders that approve a short sale of a one-to-four-unit home generally can't collect the remaining balance. Ask a tax professional about forgiven debt.

Cal. Code of Civil Procedure §580e

Know your numbers

Your equity decides which options make sense. Fill in your own numbers next to the example.

LINE ITEM	YOUR HOME	EXAMPLE
Estimated market value What similar nearby homes sold for recently	_____	\$700,000
- Loan payoff Includes past-due payments, interest, and fees. Ask your servicer.	_____	\$455,000
- Other liens Second loan or HELOC, unpaid property taxes, HOA, judgments	_____	\$0
- Selling costs Commissions, escrow, title, and transfer tax. The example uses 7%.	_____	\$49,000
= Your estimated equity	_____	\$196,000

Same home, three outcomes

Using the example above. Your numbers will differ.

Sell on the open market

After the payoff and 7% in costs



\$196,000

Cash investor offer

At 70% of value, a common investor formula



\$35,000

Trustee's sale

If no one outbids the debt



\$0

Cash offer: $\$700,000 \times 70\% = \$490,000$, minus the $\$455,000$ payoff = $\$35,000$, assuming the investor pays the closing costs. At a trustee's sale, you'd receive surplus funds only if an outside bidder pays more than everything owed.

Want real numbers? We'll prepare a free market valuation and a seller's net sheet for your home, so you can compare your options with figures, not guesses. Call or text (619) 389-2542.

Getting professional help

You don't have to figure this out alone. Here's who does what, what it costs, and how to check that they're legitimate.



HUD-approved housing counselor

HELPS WITH Budgeting, talking to your servicer, and modification or repayment applications
COST Free or low cost
FIND ONE (800) 569-4287 or consumerfinance.gov/find-a-housing-counselor



Foreclosure attorney

HELPS WITH Your rights, errors in the foreclosure process, lawsuits, and bankruptcy questions
COST Varies. Ask before you hire.
VERIFY Look up any California attorney at calbar.ca.gov



Real estate agent experienced in foreclosure

HELPS WITH Pricing, selling before the auction, the listing postponement request, short sales, and buying your next home
COST Commission is paid at closing from the sale. No upfront fees.
VERIFY Look up any agent's license at dre.ca.gov



Tax professional

HELPS WITH Taxes on forgiven debt after a short sale or foreclosure, and gains on a sale
COST Varies. Ask before you hire.
FIND ONE A CPA or an IRS enrolled agent



Protect yourself from foreclosure scams

A recorded Notice of Default puts your name in public records, and scammers watch them. These are the warning signs.

Red flags

- ❌ **Money before the work is done.** In California, charging upfront fees for loan modification help is illegal.
- ❌ **"Stop paying your lender."** Or "pay us instead, and we'll handle it."
- ❌ **Signing over your deed,** even "temporarily" or "just on paper."
- ❌ **A guarantee** to stop the foreclosure or save the home.
- ❌ **Pressure to sign today,** or refusing to put things in writing.
- ❌ **No license** you can look up and verify.

Cal. Civil Code §2944.7

Ask before you sign anything

- ✅ Are you licensed? What's your license number?
- ✅ What do you charge, and when is it paid?
- ✅ Will I keep title to my home until closing?
- ✅ What happens if this doesn't work before my sale date?
- ✅ Who will I work with day to day?
- ✅ Can I have everything in writing first?

Think you've been targeted? Stop, don't sign or pay, and talk to a HUD-approved housing counselor or an attorney. You can report suspected foreclosure scams to the California Attorney General at oag.ca.gov.

Our promises to you

- ✅ **No upfront fees.** Commission is paid at closing, from the sale.
- ✅ **Your deed stays yours.** You own your home until it sells.
- ✅ **Your lender gets paid, not us.** We never ask you to redirect payments.
- ✅ **No false promises.** No one can guarantee a postponement or a price. We tell you what's realistic.

How Foreclosure Rescue helps

We help homeowners across California sell before the auction, keep the equity they've built, and move on to a home that fits their life.

Sell before the auction

An open-market listing, the postponement request to the trustee when your file qualifies, and escrow through closing.

Short sale

When you owe more than the home is worth, we ask your lender to approve a sale for less than the payoff.

Your next home

Buying again, seller financing, rent-to-own, or renting, planned before you list.

Why we do this work

Founder Natasha Mora's family lost their home to foreclosure in 2012. Nobody told them they had options until it was too late to use them, and nobody asked where they would go next.

Foreclosure Rescue exists to be that call for other families: someone who explains the options plainly, sells the home on the open market so the equity stays with the family, and helps plan the next home before the move.

What happens when you reach out

- ✓ A free 10-minute file review about your sale date, payoff, and goals
- ✓ Your market valuation and net sheet in writing, before you decide
- ✓ Nothing signed until you've seen your numbers



Book a free file review

Call or text

(619) 389-2542

foreclosurerescueusa.com
info@foreclosurerescueusa.com



Foreclosure Rescue | Natasha Mora, California Real Estate Salesperson, DRE #01948301.

LPT Realty, Inc., Responsible Broker, DRE #02248983, 10620 Treena St, Ste 230, San Diego, CA 92131. Equal Housing Opportunity.



Your equity. Your timeline. **Your next home.**

Have a Notice of Default or an auction date? Find out where you stand in a free 10-minute file review.



SCAN TO BOOK, OR

Call or text (619) 389-2542

foreclosurerescueusa.com · info@foreclosurerescueusa.com

Foreclosure Rescue | Natasha Mora, California Real Estate Salesperson, DRE #01948301. **LPT Realty, Inc.**, Responsible Broker, DRE #02248983, 10620 Treena St, Ste 230, San Diego, CA 92131. Equal Housing Opportunity.

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