



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

California Foreclosure Process and Foreclosure
Protections



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

Our Mission

To promote a fair and vibrant marketplace, we serve consumers, businesses, and communities through education, advocacy, and complaint resolution.

**Serving Los Angeles
County Consumers and
Businesses since 1976**

Foreclosure Prevention Program

- ▶ Samuel Luquin, Foreclosure Prevention Counselor
 - ▶ sluquin@dcba.lacounty.gov
- ▶ Ani Davtian, Foreclosure Prevention Counselor
 - ▶ adavtian@dcba.lacounty.gov
- ▶ Contact DCBA:
 - homehelp@dcba.lacounty.gov
 - dcba.lacounty.gov
 - (833) 238-4450



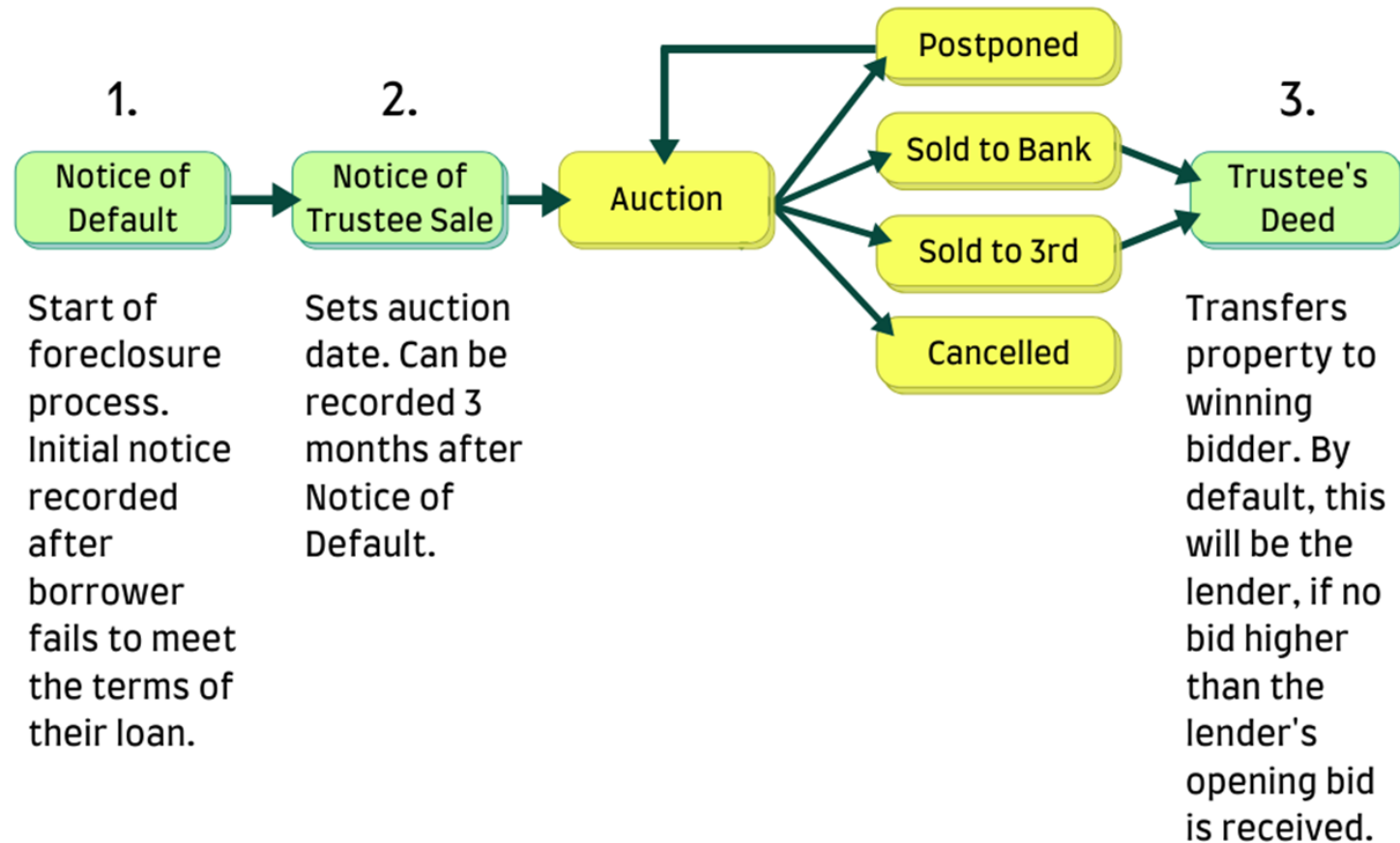
What Is Foreclosure?

- The legal process used by lenders to recover balance of the loan when a property owner fails to meet the obligations of the loan.

Judicial vs. Non-Judicial

- Judicial
 - A mortgage involves the borrower and lender
 - Lenders must sue in court in order to foreclose
- Non-Judicial
 - A deed of trust involves the borrower, lender, and a trustee. Borrower conveys the power-to-sell to trustee. When borrower defaults, lender sends a request to the trustee to initiate foreclosure proceedings
 - Foreclosure trustee conducts public auction without court proceedings
- California
 - Both, but generally a non-judicial state

California Foreclosure Process



Notice of Default

1

Lender will record ND after borrower fails to meet the terms of their loan



2

This is the start of foreclosure process



3

Apply for foreclosure prevention options

Notice of Default

Recording Requested By:
First American Title Insurance Company

When Recorded Mail To:
**First American Trustee Servicing Solutions,
LLC
6 Campus Circle, 2nd Floor
Westlake, TX 76262**

CERTIFIED BY FIRST AMERICAN TITLE
INSURANCE COMPANY TO BE A COPY
OF THE DOCUMENT RECORDED ON 01/04/2011
AS INSTRUMENT NO. **12345678**
IN BOOK PAGE
OFFICIAL RECORDS OF SANTA CLARA

Space above this line for Recorder's use only

TS No. **CA123456**
APN: **123-45-678**
TSG No. **12345**

Pursuant to California Code Section 2924c(b)(1) please be advised of the following:

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST IMPORTANT NOTICE

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account into good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five days business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this Notice of Default may be recorded (which date of recordation appears on this notice).

This amount is **\$57,891.44** as of **12/30/2010**, and will increase until your account becomes current. While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition of reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the three month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor.

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:

90708-WELLS FARGO HOME MORTGAGE
c/o First American Trustee Servicing Solutions, LLC
6 Campus Circle, 2nd Floor
Westlake, TX 76262
8664295179

Notice of Sale

1

Lender will record NT 3 months after Notice of Default



2

Sets the auction date



3

Apply for foreclosure prevention options (limited)

Notice of Sale

RECORDING REQUESTED BY:
RECONTRUST COMPANY
1800 Tapo Canyon Rd., CA6-914-01-94
SIMI VALLEY, CA 93063

WHEN RECORDED MAIL TO:
RECONTRUST COMPANY
1800 Tapo Canyon Rd., CA6-914-01-94
SIMI VALLEY, CA 93063

Attn:
TS No. 2345678

Title Order No. 2345

APN No.: 234-56-789

NOTICE OF TRUSTEE'S SALE

**YOU ARE IN DEFAULT UNDER A DEED OF TRUST, DATED 11/23/2005.
UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE
SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE
NATURE OF THE PROCEEDING AGAINST YOU, YOU SHOULD CONTACT A
LAWYER.**

Notice is hereby given that RECONTRUST COMPANY, N.A., as duly appointed trustee pursuant to the Deed of Trust executed by JOHN and JANE DOE, dated 11/23/2005 and recorded 12/13/2005, as Instrument No. 123456, in Book, Page, of Official Records in the office of the County Recorder of SANTA CLARA County, State of California, will sell on 07/15/2010 at 11:00 AM, At the North Market Street entrance to the County Courthouse, 190 North Market Street, San Jose, CA 95121

at public auction, to the highest bidder for cash or check as described below, payable in full at time of sale, all right, title, and interest conveyed to and now held by it under said Deed of Trust, in the property situated in said County and State and as more fully described in the above referenced Deed of Trust. The street address and other common designation, if any, of the real property described above is purported to be: 123 MAIN STREET, SAN JOSE CA 95125. The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein.

The total amount of the unpaid balance with interest thereon of the obligation secured by the property to be sold plus reasonable estimated costs, expenses and advances at the time of the initial publication of the Notice of Sale is \$308,713.51. It is possible that at the time of sale the opening bid may be less than the total indebtedness due.

In addition to cash, the Trustee will accept cashier's checks drawn on a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state.

Said sale will be made, in an "AS IS" condition, but without covenant or warranty, express or implied, regarding title, possession or encumbrances, to satisfy the indebtedness secured by said Deed of Trust, advances thereunder, with interest as provided, and the unpaid principal of the Note secured by said Deed of Trust with interest thereon as provided in said Note, plus fees, charges and expenses of the Trustee and of the trusts created by said Deed of Trust. If required by the provisions of Section 2923.5 of the California Civil Code, the declaration from the mortgagee, beneficiary or authorized agent is attached to the Notice of Trustee's Sale duly recorded with the appropriate County Recorder's office.

RECONTRUST COMPANY, N.A.
1800 Tapo Canyon Rd., CA6-914-01-94
SIMI VALLEY, CA 93063
Phone/Sale Information: (800) 281-8219

By: /s/ Title Officer

RECONTRUST COMPANY, N.A. is a debt collector attempting to collect a debt. Any information obtained will be used for that purpose.

Trustee's Deed Upon Sale

1

Transfers property to the winning bidder



2

By default this will be the lender, if no bid higher than the lender's opening bid is received



3

Counseling to Move Forward!

Trustee's Deed Upon Sale

<p>RETURN TO REQUESTING PARTY</p> <p>THE TRUSTEES' NAME (S):</p> <p>State:</p> <p>Street Address:</p> <p>City & State:</p>	<p style="text-align: center;">SPACE ABOVE THIS LINE FOR RECORDERS USE</p> <p style="text-align: center;">Trustee's Deed Upon Sale T.S. NO.</p> <p>The undersigned greater Advocate:</p> <p>(1) The gross price was not set by the following beneficiary:</p> <p>(2) The amount of the original debt together with costs was \$</p> <p>(3) The amount paid by the grantor at the Trustee's sale was \$</p> <p>(4) The documentary transfer fee is \$</p> <p>(5) Real property is in () County of _____ and () City of _____, and</p> <p>CHICAGO TITLE COMPANY, a corporation, County of _____, is the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to</p> <p>_____ of _____, County of _____, State of California, described as follows:</p> <p>TRUSTEE STATES THAT:</p> <p>This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated and recorded by _____ in Book _____ of _____ County, California, and also in fulfillment of the conditions specified in said Deed of Trust concerning this conveyance.</p> <p>Article _____ of said Deed of Trust is a Notice of Default and Election to Sell, which was recorded in the office of the Recorder of said County. All requirements of law regarding the making of copies of notice and the posting and publication of copies of the Notice of Sale which was recorded has been complied with.</p> <p>Said property was sold by said Trustee at public auction at _____, California, in which the property is situated.</p> <p>Quoting the highest bidder at such sale, became the purchaser of said property and paid therefore to said Trustee the amount of \$ _____, in lawful money of the United States, or by the satisfaction, pro tanto, of the obligations then secured by said Deed of Trust.</p> <p>By Witness Whereof, said CHICAGO TITLE COMPANY, a corporation, or Trustee, has this day caused its corporate name to be hereunto affixed by its Vice-President and Assistant Secretary, then and duly authorized by resolution of its Board of Directors.</p> <p>Dated _____, Chicago Title Company, as Trustee hereunto</p> <p style="text-align: center;">CHIEF OF CITY OF ACKNOWLEDGMENT OF NOTARY PUBLIC</p> <p>STATE OF CALIFORNIA,) COUNTY OF _____)</p> <p>On _____ before me, _____, (hereinafter named and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that he/she/they acknowledged the contents of the instrument to be true and correct.</p> <p>I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.</p> <p>WITNESS my hand and official seal.</p> <p>Signature _____ (Not)</p>
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After the Foreclosure

- Notice to Vacate
 - Previous owner receives 3 days before eviction
 - Tenants potentially may receive a longer notice before eviction
- Cash for Keys Negotiation



Homeowner Notification Program

- ▶ Established in 1996 to alert homeowners of newly recorded document
- ▶ Applies to **Grant Deeds, Quitclaim Deeds, and Deeds of Trust**
- ▶ Mail a notice of recordation to the party or parties within **30 days** of the recording of one of those documents
- ▶ Provide information, counseling and assistance



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

*Your Partner
in Homeownership*



A Deed Has Been Recorded on Your Home
HAVE A QUESTION? Call (855) 351-0066

No matter what homeownership challenge you are facing, the Department of Consumer and Business Affairs is here to help. Call us right away if:

- ☐ Your home was sold without your knowledge.
- ☐ The title was transferred without your knowledge.
- ☐ The document was changed after you signed it.
- ☐ Your signature was forged.
- ☐ Some pages are missing or the copies are not clear.
- ☐ You don't understand the document.



Homeowners Can Count on Us!

Enhanced Homeowner Notification

- SB 62 expanded the homeowner notification program to include two additional documents
 - Notice of Default
 - Notice of Trustee' Sale
- SB 827 reduced the time to mail a notice from 20-days to 14-days.
- AB 1106 extended the program for an additional 10-years



LOS ANGELES COUNTY
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*Your Partner
in Homeownership*



FREE Foreclosure Help: Call (855) 351-0066

A Notice of Default or a Notice of Sale
has been recorded on your home.
Act now! Contact us to get the
right kind of help. We can:

- ☐ Work with your lender.
- ☐ Explore all options to save your home.
- ☐ Provide eviction information and alternate housing options.



Watch Out for Scams!

Foreclosure Prevention Services

- The Foreclosure Prevention Unit's main goal is to assist homeowners in preventing/avoiding the foreclosure of their property.
- Every situation is different
- Individual attention with an assigned counselor
- Open a dialogue with lender to explore Foreclosure Alternative Options



Cares Act

- Under the CARES Act, servicers were required to grant a forbearance to all borrowers with federally-backed loans if they were experiencing a financial hardship due to the COVID- 19 National Emergency.
- Hardships included but were not limited to:
 - Unemployment
 - Reduction in regular work hours
 - Illness of a borrower/co-borrower or dependent family member
- No documentation of hardship was required.



Cares Act

- All borrowers with federally-backed loans that were current or less than 30 days delinquent would automatically be granted up to a 6 month initial forbearance:
 - In general, servicers were offering forbearance plans in 3-month increments
 - Borrowers could receive extensions of up to 12 months in increments
 - In total, borrowers could receive an 18 month forbearance plan.
- The post forbearance options would be different if a borrower was more than 30 days delinquent before the COVID-19 hardship period.
 - Mortgage forbearance terms depended on the type of loan, the owner or investor's requirements in your mortgage loan, and your servicer
- It is still important to contact your servicer directly to discuss your particular situation and the Department of Consumer and Business Affairs Foreclosure Prevention Unit can assist borrowers with that.

The End of The Cares Act

The Foreclosure Moratorium had originally been extended one month from June 30, 2021, to the end of July, however, as of today, there have been no extensions.

- Property owners will need assistance since the moratorium has expired
 - Foreclosures can legally proceed
 - Property owners may not have the funds necessary to become current
- Beware of Scammers
 - You may be approached by individuals or companies that “guarantee” foreclosure services
 - Foreclosure prevention is not guaranteed by anyone but your lender or servicer

AB3088

- Took effect on September 1, 2020.
- Law providing additional protections to certain renters, small landlords and some homeowners who are unable to pay their rent or mortgage after being negatively affected by the COVID-19 virus.
- AB 3088 expired on December 1, 2021



Los Angeles County Mortgage Relief Fund

- The Department of Consumer and Business Affairs has partnered with Neighborhood Housing Services of Los Angeles County (NHSLA) and its network of counselors to provide foreclosure prevention counseling services to property owners of Los Angeles County.
- Eligible property owners may qualify for up to \$30,000 to pay for missed mortgage payments.
- The program began on April 12, 2021
- Supervisorial Districts 1, 2 and 3.



Los Angeles County Mortgage Relief Fund

To be considered for the mortgage relief fund, you must meet the following criteria;

- Property must be owner occupied
- Located in the 1st, 2nd, and 3rd districts of the County of Los Angeles, except the City of Los Angeles
- Demonstrate a COVID-19 related hardship
- Each homeowners individual situation is different, call or apply online to discuss qualifying for assistance
- County property owners of one (1) unit with a loan balance up to \$726,525;
- County property owners of 2-4 units with a loan balance of up to \$1,000,000



Los Angeles County Mortgage Relief Fund

Contact Neighborhood Housing Services of Los Angeles County (NHSLA) to apply

Phone
Number

(888) 895-2647

Website

nhslacounty.org/mortgagereliefprogram/

California COVID-19 Rent Relief for Landlords

Landlords who have one or more eligible renters:

- Can apply to get reimbursed for 80% of each eligible renter's unpaid rent between April 1, 2020, and March 31, 2021. Must agree to waive the remaining 20% of unpaid rent for that specific time period.
- Must agree to waive the remaining 20% of unpaid rent for that specific time period.

Requirements include:

- All payments must be used to satisfy the renter's unpaid rent for the period between April 1, 2020 and March 31, 2021
- Your renters must take steps to verify that they meet eligibility requirements and sign the application

California COVID-19 Rent Relief for Renters

Renters will be eligible if

- Have qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to COVID-19
- Demonstrate a risk of experiencing homelessness or housing instability

Eligible renters whose landlords choose not to participate in the program:

- May receive 25% of unpaid rent between April 1, 2020, and March 31, 2021.

California Business, Consumer Services and Housing Agency

Contact them for more information at;

Phone
Number

(800) 952-5210

Website

housing.ca.gov/covid_rr/program_overview.html#renter

American Rescue Plan

Was created to build an equitable economic recovery by providing;

- Working families a \$1,400.00 check per person (stimulus checks)
- Help Americans stay in their homes by providing emergency aid to cover back rent and bills
- Help struggling homeowners catch up with their mortgage payments and utility costs through the Homeowners Assistance Fund
- Provides additional funding for families and individuals who are recovering from or at risk of homelessness



California Mortgage Relief Fund

- Established to mitigate financial hardships after January 21, 2020, associated with the coronavirus pandemic by providing funds to eligible property owners



California Mortgage Relief Fund

The goal was to prevent homeowners from;

- Mortgage delinquencies
- Defaults
- Foreclosures
- Loss of utilities or home energy services
- Displacements of homeowners experiencing financial hardship



California Mortgage Relief Fund

Contact the California Housing Finance Agency for more information at;

Phone
Number

(877) 922-5432

Website

www.calhfa.ca.gov/HAF.htm

Department of Consumer and Business Affairs

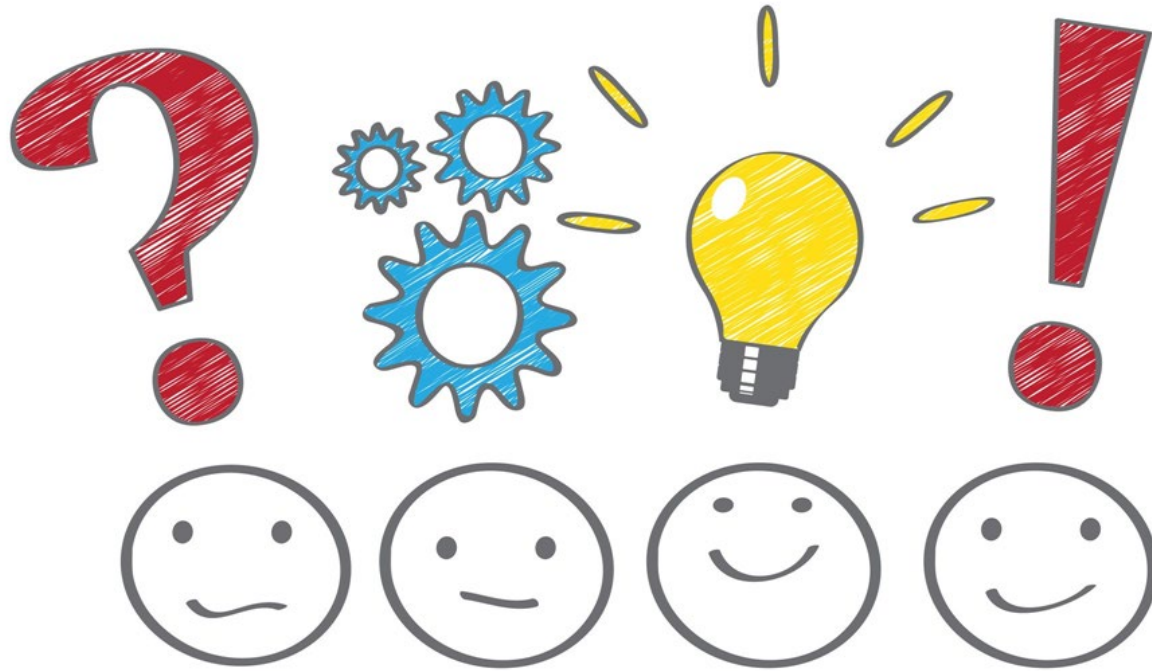
Contact the Department of Consumer and Business Affairs
for more information at;

Phone
Number

(833) 238-4450

Website

dcba.lacounty.gov



Questions?