

How foreclosure works, in plain terms

The two ways a foreclosure runs — through the courts or through a trustee sale — what the notices mean, what a sale date changes, and the free help that exists.

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Foreclosure is the legal process a lender uses to sell a property when the loan behind it is not being paid. How it runs depends on the state, and there are two routes.

The court route (judicial foreclosure). The lender files a lawsuit. You are served with a summons and complaint, and you have a short window — often 20 to 30 days — to file an answer. If you do not answer, the court can enter a default judgment. If the lender wins, the court orders a sale, usually run by the county sheriff or a court-appointed referee, and usually advertised in a legal newspaper or posted at the courthouse. Illinois, New York, Ohio and Florida work this way.

The out-of-court route (non-judicial foreclosure). Most deeds of trust contain a "power of sale" clause that lets a trustee sell the property without suing you. The trustee records a notice of default, waits the statutory period, then records and advertises a notice of sale, and sells the property at a public auction — often on the courthouse steps or an online auction site. Texas, Georgia, Arizona, California, Washington and Colorado work this way, and the county clerk, recorder or public trustee is the office that handles it.

What the notices mean. A notice of default says the process has started. A notice of sale — or notice of trustee's sale — sets the auction date. In a court case, the final judgment and the notice of sale do the same job. These notices are public records; that is why the official county posting places and recorded-document searches are listed in this directory.

Redemption. Some states let you keep the home by paying what is owed until a deadline — often the sale itself, sometimes a period after it, and in court cases sometimes until the judge confirms the sale. Many non-judicial states have no redemption at all. The state process listings name the rule and cite the statute.

Free help exists. HUD-approved housing counselors advise on mortgage default for free or low cost, and can talk to your servicer with you. Legal aid offices may represent you at no charge if you qualify. And be careful of the opposite: anyone who guarantees they can stop the sale for an upfront fee, or who asks you to sign over your deed, is showing the classic signs of a foreclosure rescue scam. Report those offers to your state attorney general and the FTC.

Frequently asked questions

Is this guide legal advice?

No. It is a plain-language description of a public process. Your notice, your loan and your state's law set the real rules; a foreclosure lawyer or HUD-approved counselor can confirm them.

What is the fastest real help?

A HUD-approved housing counselor. Default counseling is free or low cost, and the HUD hotline is 800-569-4287.

Sources

[California Courts Self-Help: Foreclosure](https://www.courts.ca.gov/selfhelp-foreclosure.htm) — <https://www.courts.ca.gov/selfhelp-foreclosure.htm>

[Georgia Attorney General: Mortgage and Foreclosure Information](https://law.georgia.gov/resources/mortgage-and-foreclosure-information) — <https://law.georgia.gov/resources/mortgage-and-foreclosure-information>

[New York Courts CourtHelp: Foreclosures](https://www.nycourts.gov/courthelp/homes/foreclosures.shtml) — <https://www.nycourts.gov/courthelp/homes/foreclosures.shtml>

[HUD-approved housing counseling](https://data.hud.gov/housing_counseling.html) — https://data.hud.gov/housing_counseling.html