

Foreclosure Timeline

Action	Time Period
Record Notice of Default	Day 1
Mail Notice of Default to Trustor & any other party who has requested such notice	Within 10 Business Days
Mail Notice of Default Trustor to all required parties under 29246 (c) (2)	Within 1 Month from date of recordation of the NOD
Set sale date	After 3 Months
Send notice of sale to IRS-When Necessary	25 days prior to sale date
Publish Notice of Sale in local paper at least once each week for 3 consecutive weeks with the first date of publication at least 20 days before date of sale Post Notice of Sale Mail Notice of Sale to all parties who were sent the NOD-including any state agency	20 days prior to sale date
Request for directions of property sent to beneficiary	Within 10 days from 1st publication Notice
Record Notice of Sale at County Recorders Office	14 days prior to sale date
Trustee cannot sell for 7 days after expiration of court order	7 days prior to sale date
Right of borrower to reinstate ends	5 business days prior to sale
Sold at Trustee's Sale	Sale date



What Is Foreclosure?

“Foreclosure is the procedure for enforcing a lender rights once the obligation secured by a Deed of Trust is in Default”.

Initial Steps: Default Period.

- A. The Note, Deed of Trust and information on the default are forwarded to County Records Research.
- B. The notice of default and other necessary documents are prepared for your signature.
- C. The notice of default is then recorded and the foreclosure time line begins.
- D. A Trustee Sale Guarantee (TSG) is ordered from a title company.
- E. The required 10 day and one month legal mailings are sent to the borrower and the junior lien holders.
- F. If the loan has not been reinstated or paid off within the three-month default period, the lender then authorizes the next step in the foreclosure proceedings.

Publication Period and Trustee’s Sale.

- A. County Records Research will prepare, record and arrange to post the Notice of Trustees Sale.
- B. The Notice of Trustee’s Sale must be published once a week for three consecutive weeks in a newspaper of general circulation near the property location.
- C. The borrower or junior lienholder may reinstate the loan at any time up to five business days before the sale date.
- D. If the loan has not been reinstated prior to five business days before the sale, the beneficiary may demand that the entire unpaid obligation be paid in full during that five-day period.
- E. The trustees sale is conducted.
- F. A Trustee’s Deed is prepared for the lender or outside bidder, then



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Default Time Period

This time period begins once the notice of default has been recorded.

The California Civil Code requires that a copy of the Notice of Default be mailed within 10 days of its recording to all persons who are entitled to notice. This includes the original trustor at the address shown on the Deed of Trust, at his / her last known address and to anyone else who has recorded a request for notice. The civil code also requires that a copy of the notice of default be mailed to certain entitled parties, such as junior lien holders, within one month of the notices recording. All mailings to the trustors and new owners are sent by certified and first class mail.

A Trustees Sale Guarantee (TSG) will be ordered from a title company at the time the Notice of Default is recorded. The TSG provides the information needed to proceed with the Trustee's Sale process and guarantees the accuracy of that information to the trustee and beneficiary only.

The property owner, or a junior lienholder, may cure the default by paying all delinquent amounts, including all costs associated with the filing of the default. This may be that at any time up to five business days before the scheduled sale date which is set in the publication period.

To Cure A Default

Many foreclosure proceedings are reinstated during this 3-month default five period. The borrower or anyone with a subsequent interest in the property may pay the beneficiary or his authorized agent the amount necessary to cure the default. This amount will include delinquent payments, and advances and the fees and costs associated with filing the notice of default and other necessary documents. Always call County Records Research prior to accepting any money to verify the total costs to cure the default. You must always notify us immediately upon receipt of payment. Acceptance of any partial reinstatement may void the foreclosure proceedings. When the default is cured, a Notice of Rescission will be prepared so that it can be signed by the beneficiary. When the Notice of Rescission is recorded it cancels the Notice of Default.



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Proceeding The Trustees Sale

Publication Period

If the default is not cured within the three month default period, the next step will be to prepare, post, record and publish the Notice of Trustees Sale. An instruction form which is referred to as the "authorization to publish" is sent to the beneficiary. This letter authorizes publication of the Notice of Trustees Sale. A copy of the notice is published in a newspaper of general circulation once a week or three consecutive weeks. The notice is also posted on the property and recorded at the County Recorders office. If the property owner wants to reinstate the loan during the publication period, the beneficiary must allow him / her to do so up to five business days prior to the date of sale, unless the loan is all due and payable pursuant to the terms of the note. The beneficiary will also sign a "Bid Construction Letter" which will instruct County Records Research to make the opening bid on the beneficiary's behalf. This bid will usually be for the total amount of the debt secured by the Deed of Trust plus any advances, trustees fees and expenses. The beneficiary may instruct County Records Research to make a deficiency bid. A deficiency bid is one which is less than the amount of the debt and is used when the beneficiary does not want the property back and / or the value of the property is less than the debt due on the note.

The Trustees Sale

The date of the Trustees Sale is established at the time of the Notice of Trustees Sale is prepared. The Trustee's Sale is a public auction sale and is open to all qualified bidders. Bids are made orally and everyone who wants to bid must first qualify with the auctioneer by showing the amount and type of money intended to be used in the event of a successful bid. The Notice of Trustee's Sale designates the type of funds required, usually cash, cashier's check or bank check. The acceptance of the bid is not final until the total amount is paid to the auctioneer by the highest bidder. The beneficiary does not need any money to make the opening bid. However, if the lender plans to bid over the opening bid he must have enough money to pay the difference between the amount of his balance due in his final bid. The sale is complete with the highest bidder is received and the auctioneer accept it, declaring the property sold.



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Postponement

There are many reasons why a Trustee's Sale may be postponed. As an example; a bankruptcy or other legal proceedings may prevent County Records Research from conducting the sale on the scheduled date. If there is a bankruptcy or litigation, it may be necessary for the beneficiary to employ the services of an attorney. County Records Research can assist you if you find it necessary to contact an attorney.

The beneficiary is entitled to three separate postponements for their own reasons. The beneficiary and the property owner can agree on as many postponements as they wish. If there is a bankruptcy or legal proceeding, the sale can be postponed as many times as necessary to obtain a court order to allow the sale to take place. If a sale is postponed for any reason, an announcement must be made at the sale location as to the reason for the postponement as well as the next sale date.

If the postponed sale date is for a period of time that exceeds five business days, the right of reinstatement is revived and continues until five business days prior to the newest sale date.

After The Sale

A Trustees Deed Upon Sale is prepared after the sale is completed. This Deed transfers title to the successful bidder or beneficiary. The Deed must be signed by the Trustee, acknowledged by a notary public and recorded. After the Deed has been recorded it is forwarded to the party who purchased the property at the Trustees Sale auction.

There is no right of redemption after a Trustee's Sale and the successful bidder is entitled to immediate possession. The one exception is the right of federal government to redeem, with full payoff to the successful bidder, if a federal tax lien has been recorded against the property and is subsequent to the deed of trust being foreclosed. IRS redemption rights elapse four months after the Trustees Sale.



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