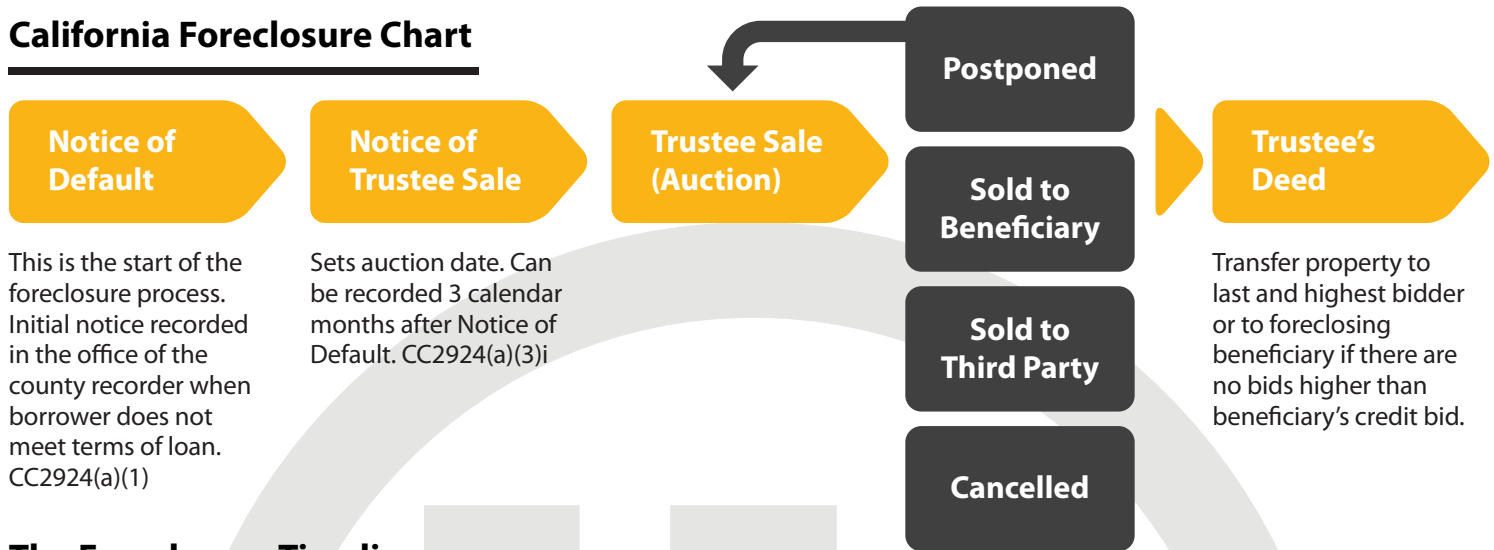




## California Foreclosure Process Chart

### California Foreclosure Chart



**Notice of Default**

This is the start of the foreclosure process. Initial notice recorded in the office of the county recorder when borrower does not meet terms of loan. CC2924(a)(1)

**Notice of Trustee Sale**

Sets auction date. Can be recorded 3 calendar months after Notice of Default. CC2924(a)(3)i

**Trustee Sale (Auction)**

- Postponed
- Sold to Beneficiary
- Sold to Third Party
- Cancelled

**Trustee's Deed**

Transfer property to last and highest bidder or to foreclosing beneficiary if there are no bids higher than beneficiary's credit bid.

### The Foreclosure Timeline

#### Foreclosure Process

Properties are considered to be in foreclosure with the filing of the initial Notice of Default with the county recorder's office until the property is sold at the Trustee Sale auction.

**THE OPPORTUNITY**  
During this period investors can purchase the property directly from the owner, after complying with special notice and other requirements of cc 1695 et seq. and 2945 et seq. Realtors can list the property and Lender's can help the owners refinance.

#### Beneficiary Own

Beneficiary owned properties have received no bid at auction and the beneficiary takes ownership. If the beneficiary is a bank, these properties are commonly referred to by the bank as REO's (Real Estate Owned)

**THE OPPORTUNITY**  
Investors can purchase the property directly from the beneficiary and Realtors can solicit listings to market the property for sale.

#### Trustee Sale (Auction)

Auction properties have had the Notice of Trustee Sale filed with the county recorder's office setting the auction time and date.

**THE OPPORTUNITY**  
During this time before the actual auction, investors can still purchase the property directly from the owner, Realtors can continue to list and show the property for sale and Lenders can still help the owners refinance.  
An owner has until five days before the auction date to cure the default and stop the process.

| Opportunity       | Traditional Financing | Subject-To Financing | Title Insurance | Inspections | Eviction Required | Overall Risk |
|-------------------|-----------------------|----------------------|-----------------|-------------|-------------------|--------------|
| Notice of Default | Yes                   | Yes                  | Yes             | Yes         | No                | Low          |
| Auction           | No                    | No                   | No              | No          | Maybe             | High         |
| REO               | Yes                   | No                   | Yes             | Yes         | No                | Very Low     |

