A PRACTICAL GUIDE FOR SOUTHERN CALIFORNIA HOMEOWNERS

Protecting Your Home. Preserving Your Options.

A supportive guide to understanding your choices, protecting your equity, and finding a way forward.



Sometimes you can work it out. Sometimes selling is the wiser path. Either way, you deserve real answers without pressure.

A neighborly resource from Adrian Crandall | Corinthian Title Company

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A PERSONAL NOTE

First, you are not out of options

Start here today. You can take one step at a time.

Worried you'll miss a payment? Call your mortgage servicer. Ask, "What help can I apply for, and what do you need from me?"

Received a notice? Write down any sale date. Call your servicer and seek qualified help promptly. For free foreclosure prevention counseling, call HUD at 800-569-4287.

HERE IS MY PROMISE

No pressure. No sales pitch. I am not a Realtor, and I do not earn a real estate sales commission if you sell your home. My goal is to help you understand the title-related hurdles, ask better questions, and connect with the right professionals. I cannot promise a particular outcome, but I can help you approach the situation with more clarity.

There is more than one good outcome

- If keeping the home is realistic, ask about mortgage relief and work out what you can afford. If selling would give your household more stability, check the timing, likely proceeds, and cost of moving.
- If you're unsure, start with your notices and a housing counselor.
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KEEP A NOTE BY THE PHONE

Notice received: _____ Sale date: _____

Person I spoke with: _____ Next deadline: _____

STEP 01

Get a clear picture of where you stand

Estimate the monthly gap and the equity that might remain after a sale.

Monthly household cash-flow worksheet

Income and expenses	Monthly amount
Take-home household income	$ _____
Mortgage, tax and insurance	$ _____
Utilities, food, transport, healthcare	$ _____
Other debts / minimum payments	$ _____
Net monthly cushion or shortfall	$ _____

Potential equity worksheet

Estimated sale proceeds	Amount
Likely sale price	$ _____
Primary loan payoff and other secured debt	- $ _____
Unpaid taxes, liens and approved charges	- $ _____
Estimated sale expenses	- $ _____
Estimated remaining proceeds	= $ _____

IMPORTANT

Use written payoff and reinstatement statements. Some overdue amounts are already included in a lender payoff; do not count them twice. A real estate professional and escrow/title team can help refine sale estimates.

STEP 02

If you want to stay, start here.

Ask your mortgage servicer about help with missed payments.

Option	How it may help	What to confirm
Modification	Changes loan terms to make payments more manageable.	New balance, rate, term and total cost.
Forbearance	Temporarily reduces or pauses required payments.	How deferred payments are handled afterward.
Repayment plan	Adds portions of arrears to future payments.	Whether increased payments are affordable.
Payment deferral	Moves eligible missed amounts to a later payoff event.	Program rules and eligibility.
Reinstatement	Pays overdue sums and allowed fees to cure the default.	Written amount and deadline.
Refinance	Separate loan option. Replaces your mortgage with a new loan.	Qualification, fees and new payment.

Questions for your mortgage servicer

- "What loss-mitigation programs do I qualify to apply for?"
- "What documents are missing from my application, and when are they due?"
- "What is my reinstatement amount versus my full payoff amount?"
- "Is any foreclosure sale scheduled, and what is the confirmed date?"

SOURCE / NOTE: CFPB mortgage servicing rules (12 CFR 1024.41); California Attorney General, Homeowner Bill of Rights. Applicability and deadlines vary.

STEP 03

Could your home help carry the load?

Small household changes can help - but only when they are legal, safe and sustainable.

Potential ways to improve cash flow

- Rent a spare room. Estimate net rent after utilities, insurance, vacancy and taxes. Screen renters and understand landlord-tenant obligations.
- Use an existing permitted ADU. Verify zoning, permits, HOA rules, insurance and any rental restrictions before advertising.
- Combine households. A family member contributing to costs may help, but discuss privacy, expectations and what happens if arrangements change.
- Add income or reduce expenses. Additional employment, a modest home business or expense restructuring may close a temporary gap.
- Discuss help from relatives carefully. Written terms matter. Do not casually sign a deed or grant a lien in exchange for help.

Reality check

EXAMPLE

If the monthly shortfall is $1,200 and room rental income after added costs is $700, the family still needs a sustainable plan for the remaining $500. Income ideas are not a substitute for dealing with an active foreclosure deadline.

Household conversation prompts

What would we give up to stay? What would we gain by downsizing? Are we protecting the family's long-term security - or postponing a difficult decision?

CALIFORNIA PROCESS

How nonjudicial foreclosure works

A simplified path - not a personalized forecast of your sale date.

Stage	What generally happens
Missed payments	Servicer contacts borrower and discusses hardship options; late charges and credit impacts may develop.
Before filing	For most covered mortgages, the first foreclosure notice or filing generally cannot occur until the loan is more than 120 days delinquent, with exceptions. California contact requirements may also apply.
Notice of Default (NOD)	Recorded with the county. Normally at least three months must pass before the sale-notice stage can proceed.
Notice of Trustee's Sale	Sale date announced with statutory recording, posting, mailing and publication requirements; usually at least 20 days of sale notice.
Trustee's sale	Auction may transfer ownership if not stopped or postponed. Sale-related and post-sale rules can vary.

THERE IS NO UNIVERSAL "BANK HAS X DAYS" RULE

The schedule depends on when the loan becomes delinquent, required contacts, statutory notices, complete assistance applications, postponements, bankruptcy and the loan type. Never rely on a rough timeline instead of the actual notices.

SOURCE / NOTE: CFPB: consumerfinance.gov/ask-cfpb/...foreclosure-timeline-en-1849; Cal. Civ. Code 2924 et seq.; 2026 DRE real estate law excerpts.

What each foreclosure notice means

Do not discard envelopes or rely solely on phone conversations.

Notice of Default (NOD)

A recorded NOD begins the formal nonjudicial process. Request the amount needed to reinstate, confirm that the loan and property information are accurate, and contact your servicer immediately. The NOD does not mean that the home has already been sold.

Notice of Trustee's Sale (NOTS)

This notice identifies a scheduled auction. Verify the sale date with the trustee using contact information independently obtained from official documents or a trustworthy source. Legal deadlines are now especially important.

Reinstatement and loss mitigation

California generally permits reinstatement of a monetary default until five business days before the scheduled sale, with statutory details and potential revival after qualifying postponements. A complete loss-mitigation application received more than 37 days before a sale can create important federal review protections. Not every submission or last-minute request stops a sale.

IF THE AUCTION IS CLOSE

Consult a California foreclosure attorney promptly. Ask whether any statutory, servicing, bankruptcy or court-related protection actually applies to your circumstances. Do not assume a pending short sale or loan-modification request guarantees a postponement.

SOURCE / NOTE: Cal. Civ. Code 2924c; CFPB 12 CFR 1024.41; California DOJ Homeowner Bill of Rights.

Your hard-earned equity matters

A voluntary sale and a foreclosure auction do not necessarily yield the same result.

Illustrative equity comparison

Illustrative home sale	Amount
Estimated market value	$ 850,000
Mortgage payoff and other liens	- $ 555,000
Estimated sale costs and other charges	- $ 69,000
Illustrative voluntary-sale net	$ 226,000

This is a hypothetical example, not an estimate of actual proceeds. In a foreclosure, the auction price may be below market value, and costs and lien priority affect where the money goes. California law governs distribution of qualifying surplus proceeds; the homeowner does not simply receive the difference between the estimated property value and the mortgage balance.

Questions worth asking early

- What could the home sell for, and how much is owed on each loan, tax bill, or lien?
- What would I need for a deposit, moving costs, and the first few months in my next place?
- Can a sale realistically close before the scheduled auction?
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TITLE CONNECTION

Lien priority matters. A foreclosure by a junior lienholder can leave senior liens in place. A preliminary title review and current payoff information can reveal complications before major decisions are made.

IF KEEPING IS NOT FEASIBLE

When selling may be the next right step

Your goal is to understand what each outcome could mean before signing anything.

Path	What it means	Primary concerns
Traditional sale	Sell for enough to satisfy required obligations.	Timing, costs, lien payoff and actual net equity.
Short sale	Lender approves a sale for less than the amount owed.	Written approvals, junior liens, tax and possible debt issues.
Deed in lieu	Owner voluntarily transfers the property to lender under an agreement.	Other liens, written debt release, relocation terms.
Foreclosure	Statutory sale process transfers property.	Loss of control, credit consequences, possible surplus claims.

Short sales require special attention

Written lender consent, settlement terms and all lienholders matter. California has important anti-deficiency protections for qualifying short sales and foreclosures, but do not assume every debt or tax consequence disappears. Have a qualified attorney and tax advisor review the specific transaction.

Before agreeing to a deed in lieu

Ask whether the lender will release the debt in writing, what happens to junior liens and whether any relocation support or other conditions are offered. The title must generally be acceptable to the lender.

SOURCE / NOTE: California Code of Civil Procedure sections 580b, 580d, 580e; IRS Publication 4681.

Life after this decision

Foreclosurealternativescanhavedifferenteffectsonyour future plans.

Illustrative conventional-loan waiting periods

Event	Typical Fannie Mae baseline
Foreclosure	7 years
Short sale or deed in lieu	4 years
Bankruptcy	Depends on chapter, discharge/dismissal and circumstances

Certain documented extenuating circumstances and program-specific rules may change these periods. FHA, VA, USDA, portfolio and other lenders may use different criteria. The waiting period alone does not guarantee loan qualification; credit, income, assets and debt obligations still matter.

Potential tax consequences

Canceled mortgage debt may create taxable income unless an applicable exclusion or exception applies. Federal rules around the qualified principal-residence debt exclusion have time limits; insolvency and bankruptcy exceptions may also be relevant. A short sale can create both sale and cancellation-of-debt tax questions. Consult a CPA or tax attorney before committing.

PROTECT FUTURE OPTIONS

A decision to sell is not a failure. If the numbers no longer work, a thoughtful sale may preserve savings and help your family move forward with more stability.

SOURCE / NOTE: Fannie Mae Selling Guide, significant derogatory credit events; IRS Publication 4681 and Publication 530.

TITLE MATTERS

Title surprises you should not face alone

A mortgage is often not the only obligation tied to a property.

Possible hurdle	Why it deserves attention
Second loan / HELOC	May need full payoff or negotiated release; lien priority matters.
Judgment or tax lien	Can affect clear title, net proceeds or the ability to close.
Property taxes and HOA liens	May add significant amounts and create separate enforcement risk.
Mechanic's lien	Contractor-related claims may need resolution or investigation.
Divorce or co-owner dispute	Who owns the home and who must sign may be unclear.
Inheritance / trust / probate	Successor or trustee authority must be established.
Bankruptcy / litigation	May require court documents, approvals or specific clearance.
Suspicious recorded deed	Possible ownership fraud needs immediate professional review.

What a preliminary title report can do

A preliminary report can identify recorded interests, liens, easements and other exceptions relevant to a proposed title-insurance policy. It is a starting point for investigation - not a guarantee that every problem has been discovered and not a substitute for legal advice.

ONE SMART EARLY STEP

If a sale or refinance may be necessary, ask the appropriate real estate or escrow professionals about an early title review. Discovering a lien at the last minute can jeopardize a tight timeline.

SPECIAL SITUATIONS

Bankruptcy, inheritance and scams

These issues can change the right next step - and who has authority to act.

Bankruptcy and a scheduled foreclosure

Chapter 13 may offer eligible homeowners a court-supervised repayment plan while they maintain required payments. Chapter 7 generally addresses discharge and liquidation; keeping a home depends on equity, exemptions, secured debt and other circumstances. Filing commonly creates an automatic stay, but exceptions and relief from stay can apply. Mortgage liens typically are not erased merely by a personal discharge.

Inherited home with a mortgage

A surviving spouse or heir may need to establish successor status with the servicer and the authority to handle title. Trust, probate and recorded vesting must be examined. Do not assume that the person living in the home is automatically empowered to sell or modify the loan.

Recognize foreclosure-rescue red flags

- Anyone demanding advance fees to "guarantee" a modification or stop a sale.
- A request to sign over title or transfer ownership "temporarily."
- An offer far below likely market value made under extreme time pressure.
- Instructions to stop talking to the lender or ignore official notices.

WHEN LEGAL ADVICE MATTERS MOST

Seek a California attorney when an auction is near, bankruptcy is under consideration, a lien is disputed, an owner is deceased or incapacitated, or someone proposes a deed transfer to solve the default.

TAKE ACTION

Seven steps to regain some control

Check off what you have completed. If a sale date is near, accelerate this plan.

- [ ] 1. Collect all mortgage notices and write down every deadline.
- [ ] 2. Call your mortgage servicer; request the loss-mitigation team.
- [ ] 3. Request written reinstatement and payoff amounts.
- [ ] 4. Write down monthly income, necessary expenses and shortfall.
- [ ] 5. Estimate property value; list every mortgage, tax and lien.
- [ ] 6. Contact a HUD-approved housing counselor and legal help as needed.
- [ ] 7. Compare realistic keep-the-home and sell-the-home scenarios.

Important dates and contacts

First missed payment: _____ Notice of Default recorded: _____

Trustee sale date (if scheduled): _____ Servicer phone: _____

Housing counselor / attorney: _____

REMEMBER

Document who you spoke with, the date, and any reference number. Keep copies of applications and proof of delivery. Do not rely on verbal assurances that a sale has been postponed.

Questions are welcome. Pressure is not.

Start with independent, reputable resources - especially when deadlines are approaching.

Trusted assistance

HUD-approved housing counselor
consumerfinance.gov/find-a-housing-counselor/ | 800-569-4287

HOPE Hotline
995hope.org | 888-995-4673

California Attorney General / Homeowner Bill of Rights
oag.ca.gov/hbor

CFPB mortgage help
consumerfinance.gov/mortgagehelp/

California housing assistance information
calhfa.ca.gov | Check current program status

California Department of Real Estate
dre.ca.gov



Ask Adrian a title question

Adrian Crandall | Corinthian Title Company
adrian@corinthiantitle.com
714-767-4493 | adriancrandall.com

Wondering whether a second mortgage, an old lien, or a question about who needs to sign could affect a sale? I can help you identify what to ask and who can help answer it. Your city and a short description are enough to start.

Important: This booklet provides general educational information, not individualized legal, tax, lending, housing or title-insurance advice. Laws, programs and timelines change. Confirm current rules and the facts of your property with qualified professionals. Last reviewed November 2026.