OTHERS REALTY

PRESENTS

The Homeowner's Anti-Foreclosure Resource Package

You're not alone. There are options.

A complete guide to loan modifications, foreclosure alternatives, scam protection, and your rights as a California homeowner.

FREE & CONFIDENTIAL CONSULTATION

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Everything you need to understand your options when facing foreclosure or working on a loan modification.

CURRENT AS OF AUGUST 2026

Foreclosure programs and California law change. This package reflects the rules in effect as of the date above, including AB 2424 (effective January 1, 2025) and the Homeowner Bill of Rights as reenacted by SB 818. If you are reading a copy more than a year old, call and ask for the current edition.

PART ONE

Welcome & Disclosures

Who I am, what this is, and what it isn't.

A Personal Letter

To the homeowner reading this:

If this package found its way to you, it's because someone — a neighbor, a friend, or me directly — thought you might be dealing with one of the most stressful financial situations a person can face. I'm sorry you're going through it. The good news is that you have more options than you probably realize, and most of them won't cost you a dollar.

As part of an ongoing public outreach program, I'm offering you a free review of your loan modification options and other alternatives to foreclosure. You may already be working on one or more options on your own. I want to make sure you have access to every resource available, including the ones that have nothing to do with me.

Inside this package you'll find:

- A clear breakdown of all eleven alternatives to foreclosure
- A step-by-step guide to preparing a loan modification package that actually gets reviewed
- The California foreclosure timeline, so you know exactly where you stand and how much time you have
- Your right under AB 2424 to force a postponement of a trustee's sale — a California law most homeowners have never heard of
- Tools to spot the foreclosure-rescue scams that target homeowners in your situation
- Worksheets and checklists you can use right now

PLEASE READ THIS PART CAREFULLY

There is no cost or obligation to you for any of this. This is not an offer to solicit your home for sale, and it is not an attempt to sell you loan modification or foreclosure-avoidance services.

You should also know that in California it is **illegal** for anyone — including attorneys — to charge you an up-front fee for loan modification or foreclosure-avoidance work. We'll cover that in detail in Part 5.

One more thing I want to say plainly, because a lot of material written for homeowners in your position gets this wrong. **Free help from HUD-approved housing counselors is real, and it is genuinely free.** Those counselors are not competitors of mine and I'd rather you use them than use no one. Their number is on page 5 of this package. Use it, use me, or use both.

I look forward to reviewing the alternatives with you and helping you clearly understand the options available to avoid a foreclosure.

Respectfully,

Saul Carter

Broker, Others Realty

805-749-4989 | saul@saulcarter.com

Real Estate Professional Disclosure

This is to advise you that the person presenting this package is a licensed California real estate broker and, by law, must disclose that fact.

IF YOUR HOME IS ALREADY LISTED

If your home is currently listed with another real estate agent, under contract, or represented by an attorney, **please accept this information for educational purposes only.** It is not a solicitation for a listing.

As an advocate, this broker commits to:

- **Educational purpose only.** This information is presented for your understanding, not to sell you something.
- **Free of charge.** Any and all information and assistance provided under this program is free.
- **Confidential.** Your situation is private and will be treated that way.
- **No pressure, no obligation.** You are free to use this package and walk away.

WHERE MY INTEREST LIES — STATED PLAINLY

I am a real estate broker. If, after reviewing your options, selling turns out to be the right move for you, I would be glad to be considered for that listing. I am telling you this up front so that nothing in this package reads as a hidden agenda. Nothing you do with this information obligates you to me in any way, and several of the options described here — reinstatement, modification, payment deferral, forbearance — result in you keeping your home and me earning nothing. Those are still the right answers when they're the right answers.

Sincerely,

Saul Carter

Broker, Others Realty | DRE #01349421

PART TWO

Understand Your Options

Eleven ways this can end — and what each one actually means for you.

Have a question about this section? Schedule a free conversation:
tidycal.com/othersrealty/home-advocates-anti-foreclosure-package

Eleven Alternatives to Foreclosure

Try to look at this from a financial standpoint rather than an emotional one.

Work out which option best suits your needs and your goals. Time matters, but so does choosing correctly — so evaluate all of your options before you decide. Once you decide, move quickly. Many servicers want a decision well before your sale date, and several of the options below have hard deadlines measured in business days.

1 Do Nothing

If you do nothing, you will most likely lose the home at a trustee's sale. Loan applications generally ask whether you have been foreclosed upon, and credit reports disclose it. Rarely the best option, but it is an option, and for some homeowners with no equity and no path to affordability it is a rational one.

2 Payoff or Refinance

Paying the loan off in full, usually by refinancing. The new debt will likely carry a higher rate because of the recent default, and you'll need equity to make it work. Note that most lenders will not refinance a loan that is currently in default, so this generally has to happen before a Notice of Default is recorded.

3 Reinstatement

Paying the entire past-due amount plus interest, trustee's fees, attorney fees, late charges, and advanced taxes and insurance. In California you have the right to reinstate up until **five business days before** the scheduled sale date (Civil Code §2924c). After that you can still pay the loan off in full, but you lose the right to simply catch up.

4 Repayment Plan

Your regular payment plus an agreed extra amount each month until the arrears are cleared. Best when the hardship has passed and you have some additional monthly capacity. No underwriting drama, no new note to sign.

5 Forbearance

A temporary reduction or suspension of payments while you get back on your feet. Understand going in that forbearance is a pause, not forgiveness — at the end you'll need a way to resolve what accrued, usually reinstatement, a repayment plan, a payment deferral, or a modification.

6 Payment Deferral Added

One of the most useful tools available today and the one homeowners least often ask for by name. Your past-due amounts are moved into a **non-interest-bearing balance** due at maturity, sale, refinance, or payoff. Your monthly payment goes back to what it was. Fannie Mae and Freddie Mac both offer it; FHA's version is the Payment Supplement. If your hardship was temporary and has resolved, ask about this *before* you start a full modification review — it's faster and requires far less documentation.

7 Loan Modification

A permanent change to your loan terms — rate, term, or principal structure — to create a payment you can sustain. For Fannie Mae and Freddie Mac loans, the current program is the **Flex Modification**. FHA, VA, and USDA have their own frameworks, and portfolio lenders offer in-house or "proprietary" modifications. You'll generally need to show that the problem that caused the delinquency has been resolved. See Part 3 for how to prepare a package that gets reviewed.

8 FHA Partial Claim

If your loan is FHA-insured, HUD can advance the funds to bring your loan current and record that advance as a **subordinate lien at zero interest**. Important: there is **no monthly payment** on a partial claim. Nothing is due until you sell the home, refinance, pay off the first mortgage, or reach maturity. Homeowners frequently turn this down because they think it means a second payment. It does not.

9 Deed-in-Lieu of Foreclosure

Voluntarily transferring the property to the lender instead of going through a sale. Lenders generally require the home to be maintained and the title to be clear of other liens. Most loan applications ask whether you've done this, so it carries credit consequences — though usually less severe than a completed foreclosure.

10 Bankruptcy

Can discharge debt and buy time. Chapter 7 liquidates unsecured debt but has no mechanism to cure mortgage arrears. Chapter 13 lets you cure arrears over three to five years while staying current going forward. Chapter 11 is a business reorganization. We'll refer you to a qualified bankruptcy attorney on request — this is a legal decision and we are not lawyers. See Part 4.

11 Sale (Conventional or Short Sale)

If you have equity, you can sell without the lender's approval and keep the proceeds after the loans and costs are paid. If you owe more than the home is worth, a short sale can be negotiated with the lender. And under AB 2424, simply signing a listing agreement with a California-licensed broker gives you the right to postpone a trustee's sale by 45 days — see page 10.

> **Not sure which option fits?** **805-749-4989**
>
> Call for a free, no-obligation conversation. I'll walk through each one against your actual situation.

Why Loan Modifications Take So Long

Why is this so slow and so frustrating?

Not because anyone is being paid to stall you. The real reasons are more mundane and more fixable:

- **The review is document-driven.** An underwriter can only decide on what's in the file. One missing bank statement page stops the whole thing, and nobody calls to tell you.
- **The departments don't talk.** The customer service representative who answers the phone usually cannot see the underwriter's notes. Getting to the loss mitigation department is half the battle.
- **Investor rules govern, not the servicer's preference.** Your servicer collects the payment; someone else owns the loan. The available options are set by Fannie Mae, Freddie Mac, FHA, VA, or a private investor, and the servicer has limited discretion.
- **Files go stale.** Pay stubs and bank statements age out. If review drags past 60 to 90 days, you'll be asked to resubmit — which restarts the clock and feels like sabotage even when it isn't.

None of that means you're powerless. It means completeness and persistence are the whole game, and the guide in Part 3 is built around exactly that.

How do I know if my application is actually in active review?

Your application is probably not in active review if any of the following are true:

- You receive a Notice of Default or Notice of Trustee's Sale *after* you submitted a complete application.
- Your representative is still requesting documents — bank statements, pay stubs, updated forms, letters of explanation.
- More than 30 days have passed since you submitted a complete package with no decision.
- You have not been offered a trial payment plan within 45 days of submitting a complete package.
- Your representative is not returning calls within two business days.
- You did not receive confirmation that your documents were received within five business days.

> **IF YOU ARE BEHIND AND NOT IN ACTIVE REVIEW**
>
> Assume your file is moving toward a sale. In California, once a Notice of Trustee's Sale has been recorded and posted, the sale can proceed on the noticed date. **Call your servicer today** and confirm in writing where your application stands.

A PROTECTION WORTH KNOWING

Under federal Regulation X (12 CFR §1024.41), if your servicer receives a **complete** loss mitigation application **more than 37 days before** a scheduled foreclosure sale, the servicer generally may not move for a foreclosure judgment or order of sale, or conduct the sale, until it has evaluated your application and one of the regulation's conditions is met.

The word doing the work there is **complete**. An incomplete application does not trigger this protection. That is why Part 3 is obsessive about completeness.

Free Help That Is Actually Free New section

Before you pay anyone a dollar, use these.

There is a well-funded network of nonprofit housing counselors whose entire job is helping homeowners in your position, and it costs you nothing. HUD states this plainly: foreclosure counseling from a HUD-participating agency is **always free**, and any agency charging you for it is not operating under HUD's program.

HUD Housing Counseling Locator — (800) 569-4287

Enter your ZIP code and get connected to a HUD-participating agency near you. Counselors will review your finances, explain the options your specific investor offers, and communicate with your servicer on your behalf. Online: **hud.gov/findacounselor**. TTY: (202) 708-1455.

Homeowner's HOPE Hotline — (888) 995-HOPE (4673)

Staffed 24 hours a day, seven days a week, including holidays. If it is 11 p.m. and you cannot sleep because of a sale date, this is the number.

Consumer Financial Protection Bureau

consumerfinance.gov/mortgagehelp — plain-language explanations of your options, plus a counselor search tool. The CFPB also takes complaints against servicers at consumerfinance.gov/complaint, which is worth doing if your servicer is violating the rules in Part 5.

California legal aid

lawhelpca.org connects California homeowners with free and low-cost legal help. If you believe your servicer has violated the Homeowner Bill of Rights, talk to a lawyer — that statute gives you the right to seek an injunction before a sale and damages after one.

A NOTE ON STATE PROGRAMS

The **California Mortgage Relief Program**, which distributed roughly $1 billion in grants to more than 37,000 households, has spent its funding and is **no longer accepting applications**. Do not spend time on it.

The **CalAssist Mortgage Fund** is the current state program, aimed at homeowners affected by declared natural disasters. If a wildfire or flood contributed to your hardship, check calassistmortgagefund.org.

Want a second set of eyes first? **805-749-4989**

Call me. There is never a fee, and if a HUD counselor is the better fit for your situation I'll tell you so.

PART THREE

Loan Modification, Step by Step

How to build a package that gets underwritten instead of shelved.

Have a question about this section? Schedule a free conversation:
tidycal.com/othersrealty/home-advocates-anti-foreclosure-package

Loan Modification: The Insider's Guide

Most modification requests take 30 to 60 days to work through review, and some move much faster. Looking back at the files that moved quickly, they had one thing in common: they were **100% complete and accurate on the day they were submitted**. Not close to complete. Complete.

That is the whole secret, and it is why this guide spends more time on paperwork than on strategy. A file that is missing one page doesn't get denied — it gets set aside, which is worse, because nothing happens and nobody calls.

Step One: Find out exactly what you have to submit

TIME IS OF THE ESSENCE

Under federal law, if your servicer receives your **complete** application **more than 37 days before** a scheduled foreclosure sale, it generally cannot move for a judgment or order of sale, or conduct the sale, until it has evaluated your application. Getting in ahead of that window is the single highest-value thing you can do.

- Call your servicer and say you want to apply for **all available loss mitigation options** — not just a modification. That phrasing matters, because it puts forbearance, repayment plans, and payment deferral on the table too.
- Ask them to email you the required document list and any servicer-specific forms.
- Ask specifically whether your loan is owned by Fannie Mae or Freddie Mac, and if so, ask to be evaluated for the **Flex Modification** and for a **payment deferral**. If your loan is FHA, ask about the **partial claim** and **Payment Supplement**.
- If you don't have internet or a printer, give them a mailing address and ask them to rush it. Then ask them to read the document list to you over the phone while you write it down. Don't hang up without that list.
- Ask them to note in their system that you are submitting a loss mitigation application. They can't open a review until the package arrives, but you want a written record that you asked.
- Ask how they want the package delivered — usually a fax number or a secure upload portal. Get every number and address they'll accept.

Step Two: Submit a perfect package

- Compile everything into **one** submission. One fax, one upload, one envelope. A package that arrives in three pieces gets filed in three places.
- Put your **loan number and last name at the top of every single page**.
- Include a cover page with your full name, property address, loan number, and phone number.
- Make sure every document is fully complete. Write "n/a" rather than leaving a line blank — a blank line reads as an oversight and generates a request for more information.
- Keep the pages of multi-page documents in order, and don't write in the margins.
- Whatever else they ask for, include the Critical Six described on the next page.

> **WRITE THIS SENTENCE ON YOUR COVER PAGE**
>
> "*Please accept these documents as my formal request to be reviewed for ALL loss mitigation options for which I may be eligible, including but not limited to loan modification, payment deferral, forbearance, and repayment plan.*"

Step Three: Make them review it

Wait 48 hours, then call. They need that time to index the documents and open the review. Don't wait longer than 72 hours.

- Make sure you are in the **loss mitigation** department, not general customer service. If you're not, ask to be transferred — and before they transfer you, ask for the direct number to loss mitigation for future calls.
- Be ready to verify your identity. Questions about your Social Security number and address are routine. Get through it politely and quickly.
- Open with: **"I submitted my complete application two days ago. Is the person handling my file available?"** Phrasing it that way makes it harder to be dumped into voicemail.
- If they say yes, ask to be transferred and add, "I do not want to be sent to voicemail."
- If they say no, ask to speak to someone responsible for your file today — a supervisor, another loss mitigation representative, anyone. Be prepared to ask three times. Stay polite and stay firm. Politeness is not weakness here; representatives have discretion and they use it on people who are pleasant.
- **Get the person's full name, direct extension, and email** every single time.
- **Ask which programs you are being reviewed under.** Listen before you talk — their answer tells you how far the file has moved. Then say you want to be reviewed for every option available, and ask whether the reviews can run at the same time rather than in sequence.

- **Offer to hold while they look at your package.** Often they just have a clarifying question you can answer on the spot. If something is missing, get a direct fax or email so it lands with the right person rather than back in the general queue.

Step Four: Handling objections and rejections

You will hear some version of these. None of them are the end of the road:

- They didn't receive the documents.
- Pages are missing.
- Something is incomplete.
- They have questions about the numbers.
- Pay stubs or bank statements don't match the income you reported.
- The file hasn't been assigned to an underwriter yet.
- The underwriter hasn't gotten to it.
- You've been denied.

Give them what they need, quickly, and re-confirm receipt every time.

> **IF YOU'RE DENIED, YOU HAVE AN APPEAL RIGHT**
>
> Under the California Homeowner Bill of Rights, a covered servicer that denies your modification application must **tell you why in writing**, identify other options that may be available, and **give you an opportunity to appeal**. You may also submit a new application if your financial situation has materially changed. A denial is a step in the process, not the end of it.

> **Stuck, denied, or confused?** **805-749-4989**
>
> Call me. There is never a fee for help with a loan modification or a foreclosure postponement.

The Critical Six Documents

Get these six perfect and the rest usually follows.

1. **Mortgage Assistance Application** (often called the RMA or Form 710)
2. **Personal hardship letter**
3. **60 days of bank statements**
4. **30 days of income verification** — all sources, not just pay stubs
5. **IRS Form 4506-C** Updated
6. **Tax returns for the two most recent years**

1. The Mortgage Assistance Application

Fannie Mae and Freddie Mac use a standardized **Form 710 Mortgage Assistance Application**; many servicers still call it the RMA. Ten fields do most of the damage when they're wrong:

- Loan number
- Social Security number for every borrower
- Bankruptcy information, if any
- Hardship section — **check every box that applies**, not just the main one
- Monthly household income
- Monthly household expenses
- Household assets
- Other property owned, if applicable
- Whether this is your principal residence
- **Intent to keep the property — make sure this is checked**

That last one is the most commonly fatal box on the form. If it isn't checked, the servicer may route your file toward a short sale or deed-in-lieu instead of a modification.

2. The personal hardship letter

The application has a hardship section, but write your own letter anyway. It can be typed or handwritten as long as it's legible. Every borrower and co-borrower signs and dates it. On the application, in the hardship box, write "Please see attached hardship letter."

Cover three things:

1. **What happened.** Illness, job loss, reduced hours, a transfer, a death in the family, divorce, a rate reset, a jump in expenses. Give some detail.
2. **Why you can pay now.** New job, income restored, expenses cut, hours back up.
3. **Ask for help.** Directly.

Tie the hardship to a measurable drop in income and the recovery to a measurable increase. Underwriters work in numbers. Put numbers next to your narrative.

3. Sixty days of bank statements

- The two most recent months, consecutive.
- Official statements showing the account holder's name and account number.
- **Every page**, including the ones that are blank or say "this page intentionally left blank."
- The name on the statement must match the name on the mortgage.

- Statements for each borrower. If two borrowers share one account, send a signed letter of explanation saying so.

4. Thirty days of income verification

Not just pay stubs — **all** income you listed on the application.

- The most recent 30 consecutive days of pay stubs, with no gaps.
- Pay stubs for every borrower on the loan.
- Self-employed: a year-to-date profit and loss statement.
- Unemployed: a signed letter of explanation.
- Retired, Social Security, disability, pension, rental income, child support, CalFresh: award letters or statements for each.

5. IRS Form 4506-C This changed

> **NOT THE 4506-T ANYMORE**
>
> Older guides — and some older lender packets — tell you to submit **Form 4506-T**. Since **March 1, 2021**, mortgage servicers and other lenders must use **Form 4506-C, IVES Request for Transcript of Tax Return**, to pull your transcripts from the IRS. The 4506-T still exists for pulling your own transcripts, but it is not the form your servicer will process.

- **Use the servicer's form.** They will normally send a 4506-C with the IVES participant information already filled in on line 5a. Use theirs rather than downloading a blank one, because an incorrect line 5a means the IRS cannot process the request.
- Names, taxpayer identification numbers, and the address exactly as they appear on the filed return go at the top (lines 1a–1b, 2a–2b, and 3–4).
- Confirm the transcript type and the years requested match what the servicer asked for — usually the two most recent tax years.
- Check the attestation box above the signature line. The form is rejected without it.
- **The signature must be dated within 120 days** of the IRS receiving it — not six months. If your file sits, expect to sign a fresh one.
- Separate forms are required for personal and business returns.

6. Tax returns for the two most recent years

- Complete returns, signed by everyone who was on the original loan.
- If you filed an extension for the current year, say so in a short statement and send the two years prior.

- You generally do not need to include W-2s, 1099s, or brokerage forms unless the servicer specifically asks — but if your income is complex, sending them proactively can prevent a round trip.

Trial Payments & Loan Modifications

A trial plan is good news. Here's how not to lose it.

A test drive for your modified payment

If you're offered a trial payment plan, the documents you submitted have shown the servicer you're likely capable of making the modified payment. Before they draft a permanent modification, they want to see you make it. Treat a trial plan as a preliminary approval.

Trial period plans are standard under the Flex Modification and are used by most FHA, VA, and proprietary modification programs as well.

What's in a trial payment plan

The document is usually three pages or less. It states that you must make three payments at the start of three consecutive months, the amount, and the due dates. Payments are typically applied to principal and interest only. It will say that the trial plan is not the final modification agreement and that terms may change. It should also say that on successful, timely completion, the servicer will offer you a permanent modification.

What's not in it

Your trial plan tells you nothing about your permanent terms. It doesn't cover escrow shortages, the new loan term, whether there's a balloon or deferred balance, the interest rate, prepayment terms, or how taxes and insurance will be handled. That's normal. They aren't obligated to describe the permanent offer until they know you can get out of default.

The five mistakes that kill trial plans

Sending payment to the wrong address

Servicers have multiple addresses, and the one that processes trial payments may not be where you sent payments before. Send it exactly where the trial plan document says. If the document doesn't specify, call and ask. If you get conflicting answers, ask for a supervisor. If you're still unsure, take the name and employee ID of whoever told you, and send by certified mail. Your payment arriving at the right place on the right date is everything.

Paying late

Representatives will sometimes tell you verbally that you have a 30-day grace period. Sometimes that's true. Sometimes it isn't. The only thing you have in writing is the trial plan document, so treat its dates as absolute.

Paying in the wrong form

If the plan specifies a payment method, use it. A payment in the wrong format can be rejected and recorded as "not received."

Overpaying

Some homeowners try to speed things up by making all three trial payments at once. This backfires. Sending three months of payments at once tells the servicer you had three months of payments available, which undercuts the hardship you documented. They can pull back the offer or come back with worse permanent terms. **Make each payment individually, in the month it's due.**

Underpaying

If you can't make the full trial payment, a modification may not be the right option. A partial payment can cause the servicer to cancel the trial plan while keeping the money. Don't lose funds trying to satisfy terms you can't sustain — you have other options in Part 2.

Three things people get wrong

"The trial plan is my permanent modification."

No. It's the step before it. If you complete the trial successfully, they will offer you a permanent modification — but the permanent documents are separate, and you have to sign and return them.

"Once I mail the payment, they handle the rest."

No. Three things need to be verified, and the servicer will volunteer none of them:

- **Payment received.** Confirm it. Don't assume.
- **Payment applied.** "Received" and "applied" are different states. Someone has to go into the system and post it to your trial plan, usually about 72 hours after receipt. Ask directly: "Has the payment been applied to my trial plan?" Keep calling until the answer is yes.
- **Permanent modification being drafted.** Completing the trial does not automatically generate the permanent documents. Ask when they're coming and who is preparing them.

> **A TRICK FOR CHECKING WHETHER YOUR PAYMENT POSTED**
>
> Call and ask when your next payment is due. If they give you the **current** month's date, your payment has not been applied. If they give you **next** month's date, it has.

"The servicer wants me to succeed."

Be realistic here. Some servicers handle this well. Others issue trial plans because a program or regulation requires it, and their processes are not built to help you clear the hurdles. Assume nothing will happen unless you push it, document every call, and stay a step ahead. That's not paranoia — it's how the process actually works.

"My permanent payment will match my trial payment."

Often it's very close. But proprietary and in-house programs can include a deferred balance, a stepped interest rate, or an extended term. **Read the permanent modification carefully before you sign it** — with a lawyer if you can. You are signing a new set of loan terms.

Tips for getting through the trial

- Mail payments certified or with tracking.
- Photocopy every check or money order.
- If you can pay by phone, do it — and record the representative's name, employee ID, and the confirmation number.

- If your phone can record and you notify the other party, record the payment call. California requires all parties to consent, so say so at the start of the call.
- Have the payment arrive a few days early.
- Watch out for holidays and weekend mail delays.
- Match the amount to the penny. Overpayments and underpayments both get rejected.

Common questions

How long is the trial?

Typically three months, usually starting on the 1st of the following month.

Can I skip the trial and go straight to the permanent modification?

Generally no. If you're offered a trial plan, completing it is the path.

Three months have passed and there's no permanent modification. Do I keep paying?

Usually yes. You should have permanent documents before the fourth month begins. If you don't, keep paying the trial amount — most trial plans require you to continue at that amount until the permanent modification is applied. A gap in payments can jeopardize the modification. Keep paying and keep calling.

Does the trial payment include escrow, insurance, or taxes?

Usually just principal and interest. If escrow is included, it will be itemized.

What is a partial claim?

It's how FHA advances funds to bring your loan current. HUD pays a portion of what you owe and records that amount as a **subordinate lien at zero interest**, typically in second position. **There is no monthly payment on it.** Nothing is due until you sell, refinance, pay off the first mortgage, or reach maturity. It is not forgiven — it's deferred — but it does not add to your monthly obligation. Many homeowners decline partial claims because they assume it means a second payment. It does not.

Do I have to sign the trial plan?

It depends on the document. For many plans, sending the first payment is your acceptance. Others require a signed copy back. If yours has a signature deadline, return it signed — with a wet signature — by that date.

Can I complete all three payments and still not get a modification?

If you made all three payments on time and confirmed each was received *and applied*, the servicer is generally obligated to offer you a permanent modification. If you don't receive one, something has gone wrong and you need help. Call me, call a HUD counselor, or call a lawyer.

From trial plan to permanent modification

1. Receive the trial payment plan with the amounts and due dates.
2. Make each payment, each month, on time.
3. Track each one — confirm received, then confirm applied.
4. Around the second week of the final trial month, the servicer issues the permanent modification documents.
5. Review them carefully, then sign and notarize.
6. Mail the originals back and keep a complete copy.
7. Follow up until the modification is applied to your account.
8. Resume regular payments under the new terms.

Need help with any of these steps? **805-749-4989**

I'm happy to walk through the process with you, free of charge.

PART FOUR

The California Foreclosure Process

Where you stand, how much time you have, and the postponement rights most homeowners never hear about.

Have a question about this section? Schedule a free conversation: tidycal.com/othersrealty/home-advocates-anti-foreclosure-package

The California Foreclosure Timeline

New section

California is a nonjudicial foreclosure state. Here is the actual sequence.

Almost every California foreclosure runs through a trustee under the power of sale in your deed of trust. No lawsuit, no courtroom, no judge — which means the timeline is driven by recorded notices and statutory waiting periods. Knowing where you are in that sequence tells you exactly which options are still open.

1. Delinquency

Under federal law, a servicer generally cannot make the first notice or filing to start a foreclosure until you are **more than 120 days delinquent**.

2. Contact attempt — at least 30 days before the Notice of Default

Under the California Homeowner Bill of Rights, your servicer must try to contact you at least **30 days before** recording a Notice of Default, to discuss your situation and your options. If they can't reach you, they must satisfy specific due-diligence requirements — mailing a notice and calling at different times of day.

3. Notice of Default (NOD) recorded

The NOD is recorded with the County Recorder — in your case, the Ventura County Clerk-Recorder — and a copy must be mailed to you within **10 business days**. Within five business days of recording, the servicer must generally send you information about the options available to avoid foreclosure. This is a public record, which is why the mail from strangers starts arriving now.

4. Three-month cure period

At least **three months** must pass after the NOD is recorded before a Notice of Sale can be recorded. This is your window to reinstate, complete a modification review, negotiate, or list the property.

5. Notice of Trustee's Sale (NOTS)

After the three months, the trustee records a Notice of Trustee's Sale, mails it to you, posts it on the property and in a public place, and publishes it in a newspaper of general circulation. The sale date must be at least **20 days** after the notice is recorded and published.

6. The reinstatement deadline

You have the right to reinstate — pay all past-due amounts plus fees and costs — until **five business days before** the scheduled sale date (Civil Code §2924c). After that point, you can still stop the sale by paying the loan off in full, but the right to simply catch up has closed.

7. The trustee's sale

The property is sold at public auction. If nobody bids above the lender's credit bid, the lender takes title and the property becomes REO.

> **TWO CALIFORNIA FACTS YOU NEED TO KNOW**
>
> **There is no redemption period after a trustee's sale.** Some states give homeowners time after the auction to buy the property back. California does not, for a nonjudicial foreclosure. When the gavel falls, title has transferred.
>
> **But — you can force the sale to be postponed.** See the next page. This is the most important page in the package.

AB 2424: Your Right to Postpone the Sale New section

Effective January 1, 2025. Most homeowners have never heard of it.

California Assembly Bill 2424 amended Civil Code §2924f to give homeowners in nonjudicial foreclosure something they had never had before: **the ability to force a postponement of a trustee's sale without the lender's cooperation.**

There are two postponements, and each can be used once.

> **POSTPONEMENT ONE — 45 DAYS ON A LISTING AGREEMENT**
>
> If the trustee receives, **at least five business days before** the scheduled sale date, a listing agreement with a **California-licensed real estate broker** providing that the property will be placed on a publicly available marketing platform, the trustee **shall** postpone the sale for an additional **45 days**.

POSTPONEMENT TWO — ANOTHER 45 DAYS ON A PURCHASE AGREEMENT

If the sale has already been postponed under the listing provision and the trustee then receives, again **at least five business days before** the rescheduled sale date, a copy of a signed **purchase agreement** for the property, the trustee must postpone the sale to a date at least **45 days** after the purchase agreement was received — giving you time to close escrow.

The delivery requirements are strict. Follow them exactly.

This is where homeowners lose the right. The statute requires the documents to reach the trustee by **certified mail through the U.S. Postal Service, or by an overnight courier with tracking that confirms the recipient's signature and the date and time of delivery.** An email to the trustee does not satisfy the statute. A fax does not satisfy the statute. Handing it to your servicer does not satisfy the statute.

- **Send to the trustee**, not just the lender. The trustee is identified on your Notice of Default and Notice of Trustee's Sale. Send a copy to the beneficiary as well.
- **Five business days means five business days.** Weekends and holidays don't count. Build in a buffer — trustees can take three to five business days just to process paperwork, and there is no relief for a late delivery.
- **The broker must be California-licensed** and the listing must go on a publicly available marketing platform, which in practice means the MLS.
- **Each postponement can be used only once** per foreclosure. Use them deliberately.
- Applies to residential property with **no more than four dwelling units**. The provisions are operative through January 1, 2031.

AB 2424 also set a floor on the auction price

The law added minimum-bid protections at the **initial** trustee's sale, tied to a determination of the property's fair market value. The purpose is to stop homes from being sold at the first auction for a small fraction of what they're worth. If no qualifying bid comes in, the sale is postponed briefly before the property can be sold without the minimum. If you have equity, this matters to you.

WHY THIS SECTION IS IN A BROKER'S PACKAGE — SAID PLAINLY

The listing-agreement postponement requires a California-licensed broker, which is what I am. I'd rather you know this right exists and exercise it with any broker than not know about it at all. If you already have an agent, take this page to them. If you don't, call me and I'll walk you through the mechanics whether or not you list with me.

Ninety days is a long time. It's enough to complete a modification review, close a conventional sale, negotiate a short sale, or simply plan a move on your own terms instead of on the trustee's.

Do you have a sale date? **805-749-4989**

Call today. The five-business-day deadline is unforgiving, and it's the one thing here that cannot be fixed after the fact.

Foreclosure & Bankruptcy

How bankruptcy interacts with a pending foreclosure.

WE ARE NOT LAWYERS

This is general information, not legal advice, and it is not a substitute for consulting an attorney licensed in California. Bankruptcy has long-term consequences that depend entirely on your specific circumstances.

The automatic stay temporarily stops a pending foreclosure

Filing for bankruptcy triggers a statutory protection called the **automatic stay**. It functions as an injunction that stops the **mortgagee** — your lender — and other creditors from proceeding with a foreclosure, collecting debts, or enforcing liens while the bankruptcy case is open. No separate motion is required; it takes effect on filing.

Filing stops either type of foreclosure, **as long as the sale hasn't already occurred.** Once the trustee's sale is complete, bankruptcy cannot undo it.

When the automatic stay is limited or unavailable

Two exceptions exist to prevent repeat filings used purely to delay a creditor's right to foreclose:

- **One prior bankruptcy case dismissed within the past year.** The stay takes effect but expires after **30 days**.
- **Two or more prior cases dismissed within the past year.** The stay **does not go into effect at all**.

WHO HAS TO ASK THE COURT — THIS IS OFTEN REPORTED BACKWARDS

If you fall within one of these exceptions, it is **you, the debtor**, who must ask the bankruptcy court to extend or impose the stay. You bear the burden of showing, by clear and convincing evidence, that the earlier cases were not filed in bad faith. Your lender will not do this for you, and the deadlines are short. If you have filed before, tell your bankruptcy attorney immediately.

These repeat-filer exceptions generally don't apply if you originally filed under Chapter 7 and converted to Chapter 13 because the means test showed your income was too high to qualify for Chapter 7.

Chapter 7

Chapter 7 has no mechanism to cure mortgage arrears. If you are behind and want to keep the home, a Chapter 7 filing generally buys time to implement one of the other alternatives rather than solving the problem. It is often used at the last moment to stop a sale when everything else has failed.

Chapter 13

Chapter 13 is the one that can actually save a home. The automatic stay gives you time to catch up on arrears while you repay debts over three to five years under a court-approved plan. Once a plan providing for repayment of mortgage arrears is confirmed, the lender cannot foreclose.

Two conditions matter. You must have enough income to make both your current mortgage payment and the plan payment on the arrears. And you must keep making both — if you fall behind after confirmation, the lender can move to proceed with the foreclosure.

Lifting the automatic stay

A lender can file a motion asking the court to lift the stay and allow the foreclosure to continue. You are entitled to respond, and if you oppose it the court will hold a hearing before ruling. If the stay is lifted, the lender may proceed except as the court otherwise orders.

Appendix: Judicial vs. Nonjudicial Foreclosure

Background on the two systems. California uses the second one.

Appendix 1 — Judicial foreclosure

A judicial foreclosure runs through court and typically takes several months or longer. The advantage for a homeowner is that you can raise legal defenses in the existing case without having to file your own lawsuit.

With some exceptions, foreclosures go through court in: Connecticut, Delaware, District of Columbia (sometimes), Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Nebraska (sometimes), New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma (if the homeowner requests it), Pennsylvania, South Carolina, South Dakota (if the homeowner requests it), Vermont, and Wisconsin.

How it typically proceeds:

- **You fall behind.** Under federal law, the servicer generally must wait until you are more than 120 days delinquent before starting.
- **A breach letter arrives**, stating that foreclosure will begin unless the missed payments plus costs and interest are made up. It may be sent during the 120-day period.

- **The bank files suit**, asking the court for the right to sell the home. If state law permits, the complaint may also seek a deficiency judgment.
- **You're served** with a summons and complaint.
- **You respond** — usually within 20 to 30 days. If you don't, the bank takes a default judgment and wins automatically.
- **Judgment and sale.** If the bank prevails, the court orders the sale. The bank will typically make a credit bid for the amount owed, and if nobody outbids it, the bank takes the property.
- **Redemption.** A few states allow a period after the auction to recover the property. **California does not, for trustee's sales.**
- **You leave or are evicted** once your legal right to remain ends.

Appendix 2 — Nonjudicial foreclosure

In a nonjudicial foreclosure the lender doesn't go to court. The process follows steps set out in state law and moves faster.

When you bought or refinanced, you signed two core documents: a **promissory note** and a **deed of trust**. The deed of trust secures the note with a lien on the home and authorizes a sale outside of court if you default.

Foreclosures are usually nonjudicial in: Alabama, Alaska, Arizona, Arkansas, California, Colorado, District of Columbia (sometimes), Georgia, Idaho, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska (sometimes), Nevada, New Hampshire, New Mexico (sometimes), North Carolina, Oklahoma (unless the homeowner requests judicial), Oregon, Rhode Island, South Dakota (unless the homeowner requests judicial), Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wyoming.

California uses nonjudicial foreclosure as the norm. For the California-specific sequence, see the timeline on page 9.

CALIFORNIA ANTI-DEFICIENCY PROTECTIONS — IMPORTANT

General foreclosure guides warn heavily about deficiency judgments, where a lender sues you for the shortfall after the sale. **In California, that risk is far more limited than those warnings suggest.**

- **Code of Civil Procedure §580d** — no deficiency judgment after a **nonjudicial trustee's sale**. Since nearly all California foreclosures are nonjudicial, this covers most homeowners.
- **CCP §580b** — no deficiency on a **purchase-money loan** secured by an owner-occupied dwelling of four units or fewer, regardless of how the foreclosure proceeds.
- **CCP §580e** — after a lender-approved **short sale** of residential property with four units or fewer, the lender generally may not pursue a deficiency.

These protections have limits. Refinanced debt, cash-out proceeds, and HELOCs can fall outside them, and a junior lienholder that is wiped out by a senior sale may retain rights. If you have more than one loan, get specific advice before assuming you're covered.

Worried about what you'll owe after a sale? **805-749-4989**

Call for a free consultation, or speak with a foreclosure attorney. Either way, get an answer specific to your loans.

PART FIVE

Know Your Rights & Avoid Scams

Distressed homeowners are targets. Here's what the law gives you and what to watch for.

Have a question about this section? Schedule a free conversation:
tidycal.com/othersrealty/home-advocates-anti-foreclosure-package

Beware of Homeowner Assistance Scams

Your Notice of Default is a public record. Expect the mail to start.

The up-front fee scam

THIS ONE IS SIMPLE, AND IT'S THE LAW

In California it is **illegal** for anyone — including attorneys, real estate licensees, and any company or individual, licensed or not — to charge, demand, or collect any **up-front, advance, or retainer fee** for loan modification work, mortgage forbearance services, loan modification document preparation, forensic loan audits, or related lawsuits. There are no exceptions. Civil Code §2944.7.

If someone asks you for money before the work is complete, you have identified a violation of California law. Report it.

Red flags — anyone, including a lawyer, who:

- Requires an up-front fee to work with your lender.
- Guarantees they can stop your foreclosure or get your mortgage modified.
- Tells you to stop paying your mortgage and pay them instead.
- Pressures you to sign over your deed, or to sign anything you don't understand.
- Claims to offer "government approved" or "official government" modifications.
- Asks for personal financial information online or by phone before you've verified who they are.
- Tells you a forensic loan audit or "REST Report" will force your servicer to modify your loan.
- Offers to "buy your house and sell it back to you" if you stop paying.
- Promises to keep you in your home for months — for a fee.
- Guarantees a reduction in your principal balance or payment.

Lawsuits against your servicer

Be cautious about anyone promising that a lawsuit will force a modification. Mass joinder and class action solicitations aimed at homeowners in default have a long history of ending badly in California, and the State Bar has disciplined attorneys over them.

That said, this is a caution, not an absolute. **If your servicer has actually violated the Homeowner Bill of Rights, you have real legal remedies** — including the right to seek an injunction before a sale and damages after one. The difference is between a lawyer evaluating your specific file and a mailer promising outcomes to everyone on a recorded-default list. If you think your servicer broke the rules, talk to a real estate attorney or legal aid.

Forensic loan audits

The California Attorney General and the Department of Real Estate have both warned homeowners that forensic loan audits generally provide no leverage to compel a modification. Claims under federal lending statutes are also subject to filing deadlines that vary by claim type, and many have run by the time a homeowner is in default. Paying up front for an audit is illegal in California regardless.

Bankruptcy is not a scam — but it is not a modification

Filing bankruptcy does trigger the automatic stay and does stop a pending foreclosure, as explained in Part 4. What it does not do is change your loan terms. A Chapter 13 plan can cure arrears over three to five years, and stripping a wholly unsecured junior lien requires plan completion. Bankruptcy is a serious step with long consequences — the right call for some homeowners and the wrong one for others. Talk to a bankruptcy attorney, not a mailer.

Short sales

A short sale is a legitimate option, not a scam. It is also the option where the agent's experience matters most, because it involves negotiating with a lender's loss mitigation department on terms most agents rarely see. Consider it after home-retention options have been explored, and choose someone who has actually done them.

> **FREE HELP, AGAIN, BECAUSE IT MATTERS**
>
> **HUD-approved housing counseling is always free.** HUD tells consumers directly to be wary of any company charging a fee for these services. Call **(800) 569-4287** or the 24-hour HOPE Hotline at **(888) 995-HOPE**. Under California law, anyone who *does* charge for modification work is required to tell you that HUD maintains a list of nonprofits providing that same help at no cost.

Where to report a violation

- **California Attorney General** — oag.ca.gov/report

- **California Department of Real Estate** — dre.ca.gov (if a licensee is involved)
- **The State Bar of California** — calbar.ca.gov (if an attorney is involved, or if a company claims to be attorney-backed)
- **Department of Financial Protection and Innovation** — dfpi.ca.gov (for servicers and lenders)
- **Consumer Financial Protection Bureau** — consumerfinance.gov/complaint

California Homeowner Bill of Rights

Enacted January 1, 2013. Key provisions renewed and modified effective January 1, 2019.

The Homeowner Bill of Rights (HBOR) is a set of laws guaranteeing basic fairness and transparency for California homeowners in the foreclosure process. Several core provisions sunset at the end of 2017 and were reenacted, with changes, by **Senate Bill 818** effective January 1, 2019.

> **TWO LIMITS TO KNOW BEFORE YOU RELY ON IT**
>
> HBOR generally applies to **first-lien mortgages on owner-occupied homes with no more than four units**. And most of the protections below apply only where your servicer **foreclosed on more than 175 homes in the prior year**. Smaller servicers are subject to a reduced set of requirements. If you're not sure which category your servicer falls into, ask a housing counselor or attorney.

Your rights under HBOR

Notification of foreclosure-prevention options

Your servicer must try to contact you at least **30 days before** starting the foreclosure process to discuss your situation and your options. After recording a Notice of Default, it must send you a copy within 10 business days, and generally must give you information about available options within five days of recording. *(Civ. Code §§2923.55, 2924.9)*

A single point of contact

If you ask for a modification or other foreclosure-prevention option, your servicer must assign you a specific person or team who knows your file, knows what's missing, can explain deadlines, and can get you a decision. You should not have to re-explain your situation to a new representative every call. *(Civ. Code §2923.7)*

Acknowledgment of your application

Your servicer must notify you within **five business days** of any missing information, errors, and the deadlines for completing your application. *(Civ. Code §2924.10)*

Restrictions on fees

You **cannot be charged a fee to apply** for a loan modification. You cannot be charged late fees while a completed application is under review, while you are making timely payments under an approved modification, or while a denial is on appeal. *(Civ. Code §2924.11)*

Restrictions on dual tracking

Your servicer must generally **pause the foreclosure** while it decides on your completed application and until your time to appeal a denial has run. It also cannot foreclose while you are complying with an approved modification, forbearance, repayment plan, or other alternative. *(Civ. Code §§2923.6, 2924.11)*

Denial rights

If your application is denied, the servicer must state its reasons **in writing**, identify other options that may be available, and give you a chance to **appeal**. You may submit a new application if your financial situation has materially changed. *(Civ. Code §2923.6)*

Transfer rights

If your servicer approves a modification or other alternative and then sells or transfers your loan, the **new servicer must honor it**. *(Civ. Code §2924.11)*

Verification of documents

Your servicer must review foreclosure documents to ensure they are accurate, complete, and supported by reliable evidence about your loan, its status, and the servicer's right to foreclose. *(Civ. Code §2924.17)*

Tenant rights

Purchasers of foreclosed homes must give tenants at least **90 days** before starting eviction proceedings. If a tenant has a fixed-term lease entered into before the foreclosure sale, the new owner must honor it unless specific exceptions apply. *(Code Civ. Proc. §1161b)*

> **IF YOUR SERVICER VIOLATED THESE RULES**
>
> HBOR gives you the right to seek an **injunction before** a foreclosure sale and to recover **damages after** one, for material violations. This is worth a conversation with an attorney. You can also report violations to the Attorney General (oag.ca.gov), the Department of Financial Protection and Innovation (dfpi.ca.gov), and the CFPB (consumerfinance.gov/complaint).

Advance Fees Are Illegal in California

Senate Bill 94 — in effect since October 11, 2009, and still the law.

THE RULE

Under **Civil Code §2944.7**, it is unlawful for **any person** — attorneys, real estate brokers, salespersons, corporations, companies, partnerships, or any licensed or unlicensed person or party — to claim, demand, charge, collect, or receive **any compensation** for negotiating, arranging, or performing a mortgage loan modification or forbearance **until every service contracted for has been fully performed**.

So if someone offers to:

- Help you modify or renegotiate your home loan,
- Arrange for your lender to stop collecting payments, or
- Convince your lender not to foreclose,

...and asks for money up front, that is a violation of California law.

The statute also prohibits taking a wage assignment, lien, or other security to secure payment of that compensation, and prohibits taking a power of attorney from the borrower for any purpose. It applies to mortgages and deeds of trust secured by residential real property containing four or fewer dwelling units.

Separately, **Civil Code §2944.6** requires anyone who *does* charge a fee for this work to give you a written statement, before you sign a fee agreement, telling you that you are not required to pay a third party to arrange a modification and that HUD provides a list of nonprofit organizations offering that assistance at no cost.

The full text of SB 94 and the code sections it created is available at **leginfo.legislature.ca.gov**.

Where to report

- **California Attorney General** — oag.ca.gov
- **California Department of Real Estate** — dre.ca.gov
- **The State Bar of California** — calbar.ca.gov (if an attorney is involved, or if a company claims to be attorney-backed or attorney-affiliated)

Note on agency names: the California Department of Real Estate was known as the California Bureau of Real Estate from 2013 until July 1, 2018. The Department of Business Oversight became the Department of Financial Protection and Innovation in 2020. Older consumer alerts on this subject still carry the former names; the underlying law is unchanged.

SB 94 and California Attorneys

From guidance issued by the State Bar of California. This section addresses attorneys only.

The State Bar has published guidance on the scope of SB 94 as it applies to California attorneys. The provisions, effective October 11, 2009:

- **Civil Code §2944.6(a)** — anyone offering to negotiate, arrange, or perform a loan modification or forbearance for a fee must give the borrower, before entering a fee agreement, a separate written statement advising that it is not necessary to pay a third party for this help and that HUD provides a list of nonprofits offering assistance at no cost.
- **Civil Code §2944.7(a)(1)** — unlawful to claim, demand, charge, collect, or receive any compensation until the person has fully performed each and every service contracted for.
- **§2944.7(a)(2)** — prohibits taking any wage assignment, lien, or other security for payment of compensation.
- **§2944.7(a)(3)** — prohibits taking a power of attorney from the borrower for any purpose.
- **§2944.7(d)** — applies to mortgages and deeds of trust secured by residential real property with four or fewer dwelling units.
- **Business & Professions Code §6106.3** — a violation of §2944.6 or §2944.7 by a member of the State Bar is cause for discipline.

Frequently asked questions

Can an attorney take an advance fee if it's held in a client trust account until all services are complete?

No. The language of §2944.7(a)(1) is broad enough to prohibit collecting or receiving any fee for loan modification services before all contracted services are complete.

Can an attorney take an advance fee if they offer a full refund when the modification isn't granted?

No. Same analysis. The prohibition is on collection, not on whether the money is ultimately kept.

Can services be broken into parts, with a fee earned as each part is completed?

No, where the attorney has been engaged to help a borrower obtain a modification or forbearance. It violates SB 94 to seek payment for any portion before all contracted services are complete.

What if the fee agreement doesn't use the words "loan modification"?

SB 94 still applies. The label doesn't control; the nature of the services does.

Can an attorney who complied with SB 94 be paid if the lender denies the modification?

Yes. SB 94 does not make an attorney's fee contingent on the lender granting a modification. An attorney may accept payment once all contracted services have been performed.

For current State Bar guidance, see calbar.ca.gov.

PART SIX

Tools & Worksheets

Print these. Use them on every call.

Have a question about this section? Schedule a free conversation:
tidycal.com/othersrealty/home-advocates-anti-foreclosure-package

Weekly Lender Questions Checklist

Make a copy for each weekly call. Write down every answer.

Date: ____________________ **Time:** ____________ **Representative name & ID:** ______________________

1. What is my foreclosure sale date? ____________________________

2. Am I in active loan modification review? Yes ☐ No ☐

If YES — what date did the review open? The sale should be postponed while a complete application is under review.
If NO — skip to question 8.

3. Do you have everything you need to make a decision on my application? _________________

4. What income figure are you using to calculate my modification? _________________

5. What expenses are you using? ____________________________

6. Which programs am I being evaluated for? _______________________

Ask specifically about Flex Modification, payment deferral, FHA partial claim or Payment Supplement, and any in-house option.

7. When will a decision be made? ____________________________

Should generally be under 30 days from the date the completed application went into review.

8. *(If not in review)* What exactly do you still need from me? _________________

9. When and how should I follow up, and to whom? ____________________

10. Direct phone / extension / email for this representative: ____________________

Notes:

Call me to review your results **805-749-4989**

Bring your notes. We'll figure out what the answers actually mean and what to do next.

Loan Modification Cash-Flow Worksheet

Compare where you are now against where a modification would put you.

NOW — PRE-MODIFICATION	TARGET — POST-MODIFICATION
Monthly gross income (all sources) ____________________	Monthly gross income (all sources) ____________________
Current mortgage payment (PITI) ____________________	Target payment (see note below) ____________________
Non-mortgage household expenses ____________________	Non-mortgage household expenses ____________________
Net monthly cash flow ____________________	**Net monthly cash flow** ____________________

How to use this

1. Enter your gross income from **all** sources — employment, self-employment, Social Security, disability, pension, rental income, support payments.
2. Enter your current full mortgage payment including principal, interest, taxes, and insurance, plus any HOA dues.
3. **Estimate your target payment.** Since December 2024, the Fannie Mae and Freddie Mac Flex Modification applies its terms to target roughly a **20% reduction in principal and interest** from your current P&I. So a rough starting estimate is your current P&I times 0.80, plus your taxes, insurance, and HOA. Other programs use different targets, so treat this as a planning figure, not a promise.
4. Subtract mortgage and non-mortgage expenses from gross income to get net monthly cash flow in each column.

> **WHAT THE RESULT TELLS YOU**
>
> If the post-modification column still shows negative cash flow, a modification may not solve your problem — and that is genuinely useful to know now rather than after three trial payments. Look at payment deferral, at a sale while you still have equity and control, or at whether a different housing cost fits your income. If the column turns positive, you have a real case to make, and the numbers in front of you are the argument.

> **Want help filling this in?** **805-749-4989**
>
> Call. There's no charge, and running the numbers with someone takes about twenty minutes.

KEEP THIS PAGE

One-Page Quick Reference

The deadlines and phone numbers that matter most. Put it on the refrigerator.

Deadlines you cannot miss

5 business days	Before your sale date — the last day to deliver a listing agreement or purchase agreement to the trustee under AB 2424, and the last day to reinstate your loan (Civ. Code §2924c).
37 days	Before a scheduled sale — submit a **complete** loss mitigation application by this point and your servicer generally cannot conduct the sale until it evaluates you (12 CFR §1024.41).
20 days	Minimum between the Notice of Trustee's Sale being recorded and the auction date.
3 months	Minimum between the Notice of Default and the Notice of Trustee's Sale. This is your main working window.
120 days	How delinquent you generally must be before a servicer can start foreclosure at all.
48–72 hours	After submitting your package — call to confirm it was received and the review is open.

Free help

HUD Housing Counseling
(800) 569-4287 · hud.gov/findacounselor
Foreclosure counseling is always free.

Homeowner's HOPE Hotline
(888) 995-HOPE (4673) · 24 hours

CFPB · consumerfinance.gov/mortgagehelp

California legal aid · lawhelpca.org

Report a violation

CA Attorney General · oag.ca.gov/report

CA Dept. of Real Estate · dre.ca.gov (licensees)

State Bar of California · calbar.ca.gov (attorneys)

DFPI · dfpi.ca.gov (servicers and lenders)

CFPB complaints · consumerfinance.gov/complaint

THE ONE-SENTENCE VERSION

Nobody in California may charge you an up-front fee for loan modification or foreclosure help — not a company, not a broker, not an attorney. If someone asks for money before the work is done, that is a violation of Civil Code §2944.7.

FREE & CONFIDENTIAL — NO CHARGE, NO PRESSURE

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