BridgeHouseBuyers

A HOMEOWNER'S GUIDE

Tips to Save a Property During *Pre-Foreclosure*

What the process actually looks like, the options still open to you, and the steps that matter most while there's still time to act.

BridgeHouseBuyers
Serving homeowners across Georgia

SECTION 01

Purpose of This Guide

If you've fallen behind on your mortgage, the hardest part is often not knowing what happens next, or how much time you actually have.

Pre-foreclosure is frightening largely because it is unfamiliar. The letters use language you have never had to read before, and deadlines appear without explanation. The one thing nobody tells you plainly is also the most important: you almost certainly have more time and more options than you think.

This guide replaces that uncertainty with a clear picture. It covers what foreclosure is, what pre-foreclosure means, how the process unfolds, and what you can still do at each stage.

What you'll find inside

- Plain-language explanations of the terms in the letters you're receiving
- The difference between judicial and non-judicial foreclosure, and why it changes your timeline
- A practical list of steps to take right now, in priority order
- A checklist of documents to gather before you call anyone
- How the loss mitigation review works and what protections come with it
- Every option on the table, including the ones lenders rarely mention

Who we are, and why we wrote this

BridgeHouseBuyers buys houses for cash. Selling to a buyer like us is one option in this guide, and for some homeowners it is the right one. For many others it is not, and we have said so throughout. A homeowner who reinstates their loan and keeps the house has had a good outcome. We would rather you reach that informed than not.

This is general information, not legal advice

Foreclosure law varies by state, and your situation has details this guide cannot know. Before you decide anything, speak with a HUD-approved housing counselor. The service is free. Call **(800) 569-4287** or go to hud.gov, and consider talking to an attorney licensed in your state.

CONTENTS

What's Inside

Short on time?

If a sale date has already been set, turn straight to Section 05 (page 7) and Section 10 (page 13). Those two cover what can still be done on a short timeline.

SECTION 02

What Is Foreclosure?

Foreclosure is the legal process a lender uses to take ownership of a property when the borrower stops making payments on the loan secured by it.

When you took out your mortgage, you signed two documents that matter here. The **promissory note** is your promise to repay the money. The **mortgage** or **deed of trust** (called a *security deed* in Georgia) pledges the house itself as collateral for that promise. Foreclosure is the lender enforcing the second document because the first was not kept.

That distinction matters more than it sounds. Foreclosure is not a punishment or a judgment about you. It is a contractual remedy, and it runs on set steps and notice requirements. That also means there are set points at which it can be stopped. Because it is a process rather than an event, it can be interrupted.

What the lender is actually trying to do

A lender's goal in foreclosure is to recover the unpaid balance, not to end up owning your house. Foreclosing is slow and expensive for them: legal fees, property maintenance, and the near certainty of selling at auction for less than the loan is worth. That is why servicers keep whole departments dedicated to avoiding foreclosure, and why the alternatives in Section 10 exist at all.

> **Why that matters to you**
>
> Your lender would rather be repaid than own your house. That shared interest is the leverage behind nearly every option in this guide, but it only helps if you engage with them before the process runs its course.

Terms you'll see in the letters

TERM	WHAT IT MEANS
Default	You've missed payments and breached the loan terms. Usually triggered after the first missed payment.
Delinquency	How far behind you are, counted in days (30, 60, 90, 120+).
Acceleration	The lender declares the entire remaining balance due immediately, not just the missed payments.
Reinstatement	Paying the past-due amount plus fees to bring the loan current and stop the process.
Payoff	The full amount to satisfy the loan: principal, interest, and fees.
Deficiency	The gap if the property sells for less than you owe. Some states allow lenders to pursue it.

SECTION 03

What Is Pre-Foreclosure?

Pre-foreclosure is the period between falling behind on your mortgage and the property actually being sold at foreclosure sale. It is the window in which you still control the outcome.

During pre-foreclosure you remain the legal owner of the property. You can still live in it, still sell it, still refinance it, still bring the loan current, and still negotiate with your servicer. Every option in Section 10 of this guide is available during this window, and most of them disappear the moment the sale is completed.

Pre-foreclosure typically begins when you are 30 to 120 days delinquent and ends on the sale date. In practice that is often several months, and sometimes considerably longer if you apply for loss mitigation (Section 08).

> **Why acting early matters**
>
> Nearly every option gets better the earlier you take it. A homeowner with four months before a sale date has choices a homeowner with four days does not. If you are reading this early, that is a real advantage.

What pre-foreclosure is not

- **It is not eviction.** You do not have to leave. You remain the owner until the sale is complete, and in most states for a period afterward.
- **It is not final.** Loans are reinstated and modified at this stage every day.
- **It is not public shame.** A notice may run in a legal-notices section that virtually nobody reads. Nobody contacts your neighbors or your employer.
- **It is not a reason to stop opening mail.** This is the most common and most costly mistake homeowners make.

> **Beware of anyone who finds you first**
>
> Pre-foreclosure filings are public record, which means the letters and calls will start. Be cautious of anyone who asks for an upfront fee to "rescue" your home, pressures you to sign documents you haven't read, or asks you to transfer your deed or make mortgage payments to them instead of your servicer. Legitimate housing counseling is **free**. Nobody reputable needs a payment before helping you.

SECTION 04

Judicial vs. Non-Judicial Foreclosure

Which type your state uses determines how fast the process moves and how much warning you get. It is the first thing to establish.

	JUDICIAL	NON-JUDICIAL
How it works	The lender files a lawsuit and a judge must approve the foreclosure.	The lender uses a "power of sale" clause in your loan documents. No court involvement.
Typical timeline	Several months to well over a year.	As little as 60 to 120 days from the first formal notice.
Your notice	You're served with a complaint and have a set period to respond in writing.	Notice by mail and publication. There's no lawsuit to answer.
Raising a defense	You can respond within the existing case.	You generally must file your own lawsuit to challenge it.
Deficiency	Often decided as part of the case.	Usually requires a separate action; some states restrict it.

Why this matters to you

In a judicial state, the court process itself buys time, and missing a response deadline is what typically causes homeowners to lose ground. In a non-judicial state, nobody hands you a deadline in a courtroom. The timeline runs quietly and fast, and the burden of acting sits entirely with you.

Georgia is a non-judicial state

Most Georgia foreclosures proceed under a power-of-sale clause without any court involvement. The lender must send notice of the intent to foreclose at least **30 days** before the sale and publish notice in the county's legal organ for **four consecutive weeks**. Sales are held on the courthouse steps on the **first Tuesday of the month**.

This is a fast timeline. A Georgia homeowner can go from first formal notice to completed sale in roughly two months. Georgia also provides **no statutory right of redemption** after a non-judicial sale, so once the property is gone there is no window to buy it back. In Georgia, acting early matters more than it does almost anywhere else.

If you're outside Georgia, confirm your own state's rules before relying on any timeline in this guide. A HUD-approved counselor can tell you in a single phone call.

SECTION 05

Steps to Take to Prevent a Foreclosure

In priority order. If you do nothing else this week, do the first three.

1. **Open every piece of mail and keep it**
   Sort by date into one folder. Your notices contain the deadlines everything else depends on, and you cannot plan around a date you haven't read. If you have been avoiding the pile, start there today. It is almost always less bad than the imagining.

2. **Find out whether a sale date has been set**
   This single fact determines which options remain realistic. Call your servicer's loss mitigation department and ask directly: *"Has a foreclosure sale date been scheduled, and what is it?"* Write down the date, the name of the person you spoke with, and the time of the call.

3. **Call a HUD-approved housing counselor**
   Free, independent, and they do this every day. They will know your state's timeline, what your servicer is required to do, and which programs you may qualify for. Call
   (800) 569-4287
   or find a counselor at hud.gov. There is no reason to wait on this one.

4. **Contact your servicer and say the word "hardship"**
   Servicers have loss mitigation departments precisely for this. Ask what options exist for your loan type and request a loss mitigation application. Be honest about your situation. They have heard it before, and understating the problem tends to produce a plan you cannot sustain.

5. **Gather your documents**
   Use the checklist in Section 06. Incomplete applications are the most common reason help arrives too late, and assembling paperwork takes longer than anyone expects.

6. **Submit a complete loss mitigation application as early as you can**
   Timing carries legal weight here. Applications submitted well before a sale date come with protections that late ones do not. See Section 08.

Steps to Take, Continued

7. **Write down every interaction**
Date, time, who you spoke to, what was said, any reference number. Servicers change staff and lose records. Your log is the only version of events you control, and it matters if a dispute arises later.

8. **Send anything important in writing**
A phone call has no paper trail. Follow up significant conversations with a short letter or secure message confirming what was agreed. Keep copies, and use certified mail for anything time-sensitive.

9. **Look honestly at the arithmetic**
Work out what you can genuinely afford each month going forward. A modification you cannot sustain simply relocates the same problem six months out. If the numbers do not work at any realistic payment, that is important information. It points you toward the options in Section 10 that end the debt rather than restructure it.

10. **Keep the house insured and the taxes current if you can**
Lapsed insurance lets the servicer buy expensive force-placed coverage and add it to your balance. Unpaid property taxes create a separate lien with its own timeline, entirely independent of your mortgage.

11. **Don't abandon the property**
Leaving early doesn't stop the foreclosure, may violate your loan terms, and can complicate a sale or a deed in lieu. It also puts you in a weaker position for cash-for-keys or relocation assistance.

12. **Decide early whether keeping the house is the goal**
Both answers are legitimate. Fighting to keep a house you cannot afford can cost the months you needed to arrange a decent exit. Selling during pre-foreclosure, with equity intact and on your own terms, is a far better outcome than a completed foreclosure. What matters is choosing deliberately.

> **Two things that quietly cost people their homes**
>
> **Not opening the mail.** Deadlines pass silently, and by the time the situation becomes impossible to ignore, the useful options have expired.
>
> **Waiting for things to improve on their own.** A raise, a tax refund, a settlement: plans built on money that has not arrived tend to eat exactly the time you could have spent on a plan that works.

SECTION 06

Important Documents to Gather

Work through this before you call. Having it ready is the difference between a productive conversation and three weeks of callbacks.

Loan and property documents

- [ ] Promissory note and mortgage or deed of trust (your closing packet)
- [ ] Most recent mortgage statement, showing the loan number and amount past due
- [ ] Every notice you have received: default, acceleration, intent to foreclose, sale notice
- [ ] Homeowners insurance policy and proof of current premiums
- [ ] Most recent property tax bill and evidence of payment
- [ ] HOA or condo statements, including any past-due balances
- [ ] Any second mortgage, HELOC, or lien documents
- [ ] Title insurance policy from your purchase, if you have it

Income and financial documents

- [ ] Pay stubs for the last 30 days, for everyone on the loan
- [ ] Tax returns for the last two years, with all schedules
- [ ] W-2s and 1099s for the last two years
- [ ] Bank statements for the last two to three months, all pages
- [ ] Profit and loss statement, if self-employed
- [ ] Benefit award letters for Social Security, disability, unemployment, or pension
- [ ] Documentation of any rental income from the property

Hardship documentation

- [ ] A written hardship letter: what happened, when, and what has changed since
- [ ] Supporting evidence: termination letter, medical bills, divorce decree, death certificate
- [ ] A monthly budget listing all income and expenses
- [ ] Your log of contact with the servicer

> **On the hardship letter**
>
> Keep it to one page and stick to facts and dates. State what caused the hardship, whether it is temporary or permanent, what you have done in response, and what you are asking for. A clear, specific letter is more persuasive than an emotional one.

SECTION 07

The Foreclosure Process

Stage by stage. Exact timing varies by state and by servicer, but the sequence is consistent.

DAYS 1 TO 15

Missed payment and grace period

Most loans allow roughly 15 days before a late fee. Nothing is reported to credit bureaus yet.

DAYS 16 TO 45

Late notices and collection calls

A late fee is assessed and the delinquency is typically reported once you pass 30 days. Servicers must generally attempt live contact by day 36 and inform you about loss mitigation options in writing by day 45.

DAYS 45 TO 120

Formal default and demand letters

You'll receive a notice of default or breach letter stating the amount required to reinstate and a deadline. Under federal rules, servicers generally cannot make the first foreclosure filing until you are

more than 120 days delinquent

. This window is your best opportunity to apply for loss mitigation.

DAY 120+

Foreclosure begins

In a judicial state, a lawsuit is filed and served. In a non-judicial state, the lender records and mails a notice and begins publication. The loan is usually accelerated at this point, which means the full balance becomes due, not just the arrears.

VARIES

Notice of sale

A date is set, advertised, and mailed to you. In Georgia this means four consecutive weeks of publication and at least 30 days' notice, with the sale on the first Tuesday of the month.

SALE DATE

Foreclosure sale

The property is auctioned. If no third party bids high enough, the lender takes ownership and it becomes bank-owned (REO).

AFTER THE SALE

Redemption, possession, and deficiency

Some states allow a redemption period to reclaim the property.

Georgia does not

, after a non-judicial sale. Eviction follows if the property is still occupied, and the lender may pursue a deficiency where state law permits.

SECTION 08

Loss Mitigation Review

Loss mitigation is the formal review your servicer conducts to determine whether an alternative to foreclosure is available to you. Federal rules give that review real teeth, but only if you apply in time.

How it works

You submit a **complete** loss mitigation application: the servicer's form plus the income, hardship, and financial documents from Section 06. The servicer reviews you against every option available for your loan type, including modification, forbearance, repayment plans, short sale, and deed in lieu, then responds in writing.

The word *complete* is doing a great deal of work in that sentence. An application missing a single document is legally incomplete, and incomplete applications do not carry the protections below. Confirm in writing what has been received and what is still outstanding.

Protections that come with applying early

IF YOUR COMPLETE APPLICATION ARRIVES...	WHAT YOUR SERVICER MUST DO
More than 37 days before the scheduled sale	Evaluate you for all available options and give a written decision. They generally cannot conduct the sale while the application is pending.
90 or more days before the sale	Give you the right to appeal a denial of a loan modification.
Before the first foreclosure filing	Refrain from starting foreclosure at all while the application is under review.
Within 5 days of receipt	Acknowledge the application and tell you exactly what is missing.
Within 30 days	Evaluate a complete application and notify you of the outcome in writing.

"Dual tracking" is restricted

A servicer generally may not move ahead with a foreclosure sale while a complete, timely application is still under review. If you have applied and are told the sale is proceeding anyway, that is worth raising immediately with a housing counselor, a lawyer, or the CFPB at **consumerfinance.gov/complaint**.

These protections come from federal mortgage servicing rules and apply to most, though not all, mortgages. A housing counselor can confirm what applies to your specific loan.

SECTION 09

Reasons for a Pending Foreclosure

Foreclosure is overwhelmingly the result of a change in circumstances rather than a change in character. Naming the cause accurately matters, because it determines which remedy fits.

Income disruption

- **Job loss or reduced hours.** The most common cause by a wide margin. If the loss is temporary, forbearance or a repayment plan often fits; if permanent, a modification or sale is more realistic.
- **Business decline or failure**, particularly for self-employed borrowers whose income documentation is harder to present.
- **Death of a borrower or co-borrower**, removing the income the loan was underwritten on.

Medical and family events

- **Illness, injury, or disability.** Both the lost income and the medical bills that follow.
- **Divorce or separation.** One household income now supports two households, and it's common for neither party to be able to carry the mortgage alone.
- **Caring for a family member**, often requiring reduced hours or leaving work entirely.

Loan and property costs

- **Adjustable rate reset** raising the payment beyond what the budget absorbs.
- **Escrow shortfall.** Rising property taxes or insurance premiums raise the monthly payment even on a fixed-rate loan. This one catches people out.
- **Balloon payment** coming due with no refinance available.
- **Major repairs** to the roof, foundation, HVAC, or plumbing that eat the reserves set aside for the mortgage.
- **Storm or fire damage**, especially where insurance falls short or claims are delayed.

Property and ownership circumstances

- **Inherited property** with a mortgage the heirs cannot service, often alongside probate delays.
- **Rental property vacancies** or non-paying tenants, where the mortgage continues regardless.
- **HOA liens**, which can trigger their own foreclosure independent of your mortgage.
- **Relocation** for work, leaving two housing costs at once.

> None of these are unusual, and none of them disqualify you. Servicers have programs for exactly these situations, which is why documenting your cause clearly, as described in Section 06, strengthens your application.

SECTION 10

Foreclosure Options

Broadly, your options divide into those that keep the house and those that resolve the debt and let you move on. Both are legitimate outcomes.

Options that keep the house

OPTION	HOW IT WORKS	BEST WHEN
Reinstatement	Pay all past-due amounts plus fees in one lump sum. The loan returns to normal.	You have access to the full arrears from savings, family, or a settlement.
Repayment plan	The arrears are spread across your regular payments over several months.	Income has recovered and you can afford somewhat more than the normal payment.
Forbearance	Payments are reduced or paused for an agreed period. The amount is still owed later.	The hardship is clearly temporary with a known end.
Loan modification	Permanent change to rate, term, or balance to lower the monthly payment.	Income has permanently dropped but can still support a reduced payment.
Refinance	A new loan replaces the old one on better terms.	Credit and equity are still strong, usually early in the process.
Partial claim / deferral	Arrears are moved into a subordinate lien or to the end of the loan. Common on FHA and conventional loans.	You can resume normal payments but can't repay the arrears now.

Before accepting any of these, check the arithmetic

Ask for the new payment in writing and compare it against your actual monthly budget, not your best month. An agreement you cannot sustain restarts this process in six months, after spending the time you had.

Options That Resolve the Debt

OPTION	HOW IT WORKS	BEST WHEN
Sell on the open market	List with an agent and sell before the sale date. You keep any equity after the loan and costs.	You have equity, the house shows well, and there's enough time for a listing.
Sell to a cash buyer	A direct sale, as-is, on a compressed timeline. Typically below full market price in exchange for speed and certainty.	Time is short, the house needs work, or a financed buyer's loan could fall through.
Short sale	The lender agrees to accept less than the balance owed. Requires their approval.	You owe more than the house is worth.
Deed in lieu	You voluntarily transfer the deed to the lender and the debt is settled.	There's no equity, and a sale hasn't been possible.
Bankruptcy	An automatic stay halts the sale immediately. Chapter 13 can allow arrears to be repaid over time.	A sale is imminent, or debts extend well beyond the mortgage. Requires an attorney.

Comparing a sale to a completed foreclosure

A sale during pre-foreclosure is materially better than letting the process finish. You keep any equity instead of losing it at auction, you avoid a completed foreclosure on your credit record, and you pick the closing date rather than being evicted on someone else's. You also often avoid a deficiency claim.

Being straight with you about cash offers

We buy houses for cash, so treat this section as coming from an interested party. A cash sale is useful when the timeline is short, when the house needs work you cannot fund, or when certainty matters more than the last few percent of price. A financed buyer whose loan collapses two weeks before a sale date is a real risk. But a cash sale is not the best route for everyone. If you have equity and time, listing on the open market will usually net you more, and a good cash buyer will tell you so.

Questions worth asking any cash buyer

Is the offer in writing? Are there fees or commissions? Can you provide proof of funds? Is the offer contingent on inspection or on assigning the contract to someone else? Who pays closing costs? What happens to any surplus over the loan payoff?

TALK TO SOMEONE

You Don't Have to Work This Out Alone

The homeowners who come through pre-foreclosure in the best shape are rarely the ones with the most money. They're the ones who opened the mail, asked questions early, and made a deliberate decision instead of waiting for one to be made for them.

Free help, no strings

- **HUD-approved housing counselors.** Call (800) 569-4287 or go to hud.gov. Free, independent, and they know your state's rules.
- **Consumer Financial Protection Bureau** at consumerfinance.gov. Guidance on servicer obligations, and where to file a complaint.
- **Your state bar's referral service,** for a consultation with a foreclosure attorney.

If you'd rather talk it through with us

We will tell you what we think your options are, including the ones that do not involve selling to us. If a cash sale is not right for your situation, we will say so. There are no fees and no pressure to decide anything on the call.

CONTACT US

Questions about your situation?

Call us. It is free and there is no obligation.

(470) 838-7108

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