Fidelity National Title
CALIFORNIA

Understanding the timeline & impact of

CALIFORNIA AB2424

NEW FORECLOSURE PROTECTION LAW

WHAT IS CA AB 2424?

Effective January 1, 2025, AB 2424 strengthens foreclosure protections for California homeowners by:

✓ **THIRD-PARTY NOTIFICATION**
You can designate a family member, attorney, or housing counselor to receive foreclosure notices on your behalf.

✓ **FORECLOSURE SALE POSTPONEMENT**
If you provide a valid listing agreement at least 5 business days before the foreclosure sale, the sale must be postponed for 45 days. If you submit a purchase agreement, the sale is delayed further to allow the transaction to close.

✓ **FAIR MARKET VALUE PROTECTION**
Lenders must provide a property assessment at least 10 days before the trustee's sale, and the property cannot be sold for less than 67% of this value at the initial foreclosure auction.

✓ **STRONGER HOMEOWNER PROTECTIONS**
Lenders must communicate loss mitigation options early, ensuring you have every opportunity to avoid foreclosure .

Updated California Foreclosure Timeline

Step 1: Missed Mortgage Payments (Days 1-90)
- Day 1: First missed payment.
- Day 36: Lender must reach out to discuss repayment or modification options.
- Day 45: Lender must send a written Notice of Foreclosure Alternatives.

Step 2: Notice of Default (After 90 Days of Nonpayment)
- The lender records a Notice of Default (NOD) with the county.
- Homeowner has at least 90 days to bring the loan current.

Step 3: Notice of Trustee Sale (At Least 90 Days After NOD)
- If the loan isn't reinstated, the lender issues a Notice of Trustee Sale (NOTS).
- The sale must be scheduled at least 21 days later.
- AB 2424 Protection: If you submit a valid listing agreement at least 5 business days before the sale, the sale must be postponed for 45 days.

Step 4: Foreclosure Sale (At Least 111 Days After NOD)
- The property is auctioned to the highest bidder.
- AB 2424 Protection: The sale cannot occur for less than 67% of fair market value at the first auction.
- If the homeowner provides a purchase agreement during the 45-day postponement, the sale must be delayed further to allow closing.

Step 5: Post-Foreclosure Eviction (If Necessary)
- If the homeowner does not vacate, the new owner must follow legal eviction procedures.

Information deemed reliable but not guaranteed. Please visit the bill in it's entirety at https: / / leginfo. legislature.ca. gov/ faces/ bi Il Navel ient.xhtml?bil l_id = 2023 20240AB2424