

UTAH FORECLOSURE PROCESS AND PROCEDURE

Use the following foreclosure process to develop a definite plan of action with well-timed, well-informed steps, so you can stop the foreclosure process and save your home!

Judicial Foreclosure Available: Yes

Non-judicial Foreclosure Available: No

Utah recognizes judicial foreclosure. There may be but one action for recovery of the debt or any foreclosure sale.

Procedure

The lender must file a lawsuit seeking foreclosure. If the court finds there has been a default, it may order the foreclosure sale to proceed. The court will also adjudge the amount due on the defaulted loan. The sheriff will conduct the sale under court order in the same manner as normal execution sales. The sheriff will publish notices and conduct a public sale. Any surplus from the sale will go to the person who is owed the money, by court order, or stay on deposit with the court until it decides how to distribute it.

Special Procedures

The borrower may be restrained by a court injunction from injuring the real property during the foreclosure of the mortgage or during a foreclosure execution sale.

Deficiency

Utah allows deficiency judgments. If the foreclosure sale proceeds are insufficient to pay off the loan balance to the lender, then the court may issue execution after the sale to seize property until the debt is repaid. Redemption Utah recognizes a right of redemption after the sale in the same way as for regular judgments. However, a Utah court sitting in equity may extend the time for redemption so there is no set length of time.

Foreclosure Types

There are two types of foreclosures in the state of Utah. Foreclosure on a trust deed is typically conducted as a non-judicial foreclosure. Foreclosure on a mechanic's lien, judgment or most other obligations is generally conducted as judicial foreclosure. The foreclosure procedure depends upon whether a foreclosure is judicial or non-judicial.

Non-Judicial Foreclosures

Once a lender has determined to foreclose a trust deed, a suitable trustee must be identified. Lenders usually use attorneys to conduct foreclosures. Unless the lender named an attorney, instead of a title company, as the trustee in the trust deed, a substitution of trustee

is usually filed. To avoid this step, many lenders name an attorney as the trustee regardless of the title company who performs the loan closing.

The lender's next step is to instruct the attorney to file a notice of default. The attorney prepares and files a notice of default. The attorney prepares a foreclosure report in order to identify all parties entitled to notice. Within ten days of filing the notice of default, the attorney must send a copy of the notice of default to each party entitled to notice.

Following the notice of default, the law requires a three-month reinstatement period. At any time during the three-month reinstatement period, the borrower can reinstate the loan by catching up on all late payments and paying all other costs and attorney's fees incurred.

After expiration of the reinstatement period, the attorney notices the foreclosure sale. In order to satisfy the notice requirements, the sale is typically held three to four weeks following the initial notice of sale. Occasionally, the sale will be continued to a later date.

The sale is conducted largely in the discretion of the attorney. Unless the lender is interested in pursuing a deficiency judgment following the foreclosure sale, the attorney opens the bidding for the property by making a credit bid of the full amount of the loan being foreclosed.

The property goes to the highest bidder. The attorney may permit 24 hours to pay the entire amount bid or to permit as much as one week if the bidder has provided a \$5,000.00 "down payment." Payments should be made in certified funds.

If the high bidder fails to pay the full amount bid within the time required by the attorney, the attorney may either schedule another foreclosure sale or sell the property to the second highest bidder.

Upon payment, the attorney delivers a trustee's deed to the highest bidder. Upon recording of the trustee's deed, the sale is final and cannot be rescinded.

The proceeds of sale are used to pay the costs of sale first, followed by the amounts due to the lender. Any excess is distributed to security holders of subsequent priority and then to the property owner. If there is excess money after payment to the lender, it is typical for the attorney to deposit the extra money with the court for disbursement to other lien holders and/or the property owner.

Judicial Foreclosures

Judicial foreclosure may be initiated in a variety of circumstances. Judicial foreclosure requires filing a legal action in court. The plaintiff must obtain a writ of execution or other court order requiring sale of the property to pay a debt.

The county sheriff generally conducts all judicial foreclosure sales. The sheriff does not wait during a reinstatement period as with a non-judicial foreclosure. Instead, the sheriff immediately takes steps to schedule the foreclosure sale. In order to satisfy notice requirements, the sale is typically set four weeks or longer following the date of notice of sale.

At the foreclosure sale, the judgment creditor may credit bid up to the amount of the judgment. If other bidders are present, they may also participate in the bidding.

Upon payment to the sheriff, the sheriff delivers a sheriff's deed to the highest bidder. A final deed is not delivered until six months following the sale. In a judicial foreclosure, the

property owner has a six-month period in which to reclaim the property by payment to the purchaser of an amount equal to 106% of the price for which the property was sold.

Priority

In the state of Utah, any secured creditor may initiate the foreclosure process in the event of default in payment. If the lien holder in first position (typically the first mortgage) conducts the foreclosure, then all subsequent priority holders lose their security interest upon sale of the property. Foreclosure against the property by the first lien holder generally results in delivery of clear title to the purchaser, subject to taxes, assessments, easements and the like.

A lien holder in second position or other subsequent position may also initiate a foreclosure sale. However, upon sale of the property, the property remains subject to any interest holder with higher priority.

If a party has questions about priority, it is typical for the attorney involved with the foreclosure sale to provide the foreclosure report to interested persons. The purchaser may also arrange for title insurance upon purchase at the foreclosure sale.

The property owner may also claim a homestead exemption in the property. The homestead exemption generally has priority over non-consensual claims, such as judgments. However, consensual liens such as a first mortgage, have priority over the homestead exemption.

Stopping or Postponing a Sale

The attorney or the sheriff has discretion with regard to conducting or continuing the sale. For a variety of reasons, the date of sale may be continued to a later date. Although an interested person may contact the attorney or sheriff responsible for conducting the sale, it is not typical for a sale to be continued.

In the state of Utah, a foreclosure sale is most frequently canceled as a result of bankruptcy. The property owner may file a voluntary petition for bankruptcy, or a certain number of creditors may force the property owner into an involuntary bankruptcy. Filing bankruptcy results in an automatic stay. Continuing a foreclosure sale after a bankruptcy filing violates the automatic stay and may result in penalties against the attorney or sheriff. Furthermore, a sale in violation of the automatic stay is void.

Profiting from Foreclosures

People interested in purchasing foreclosure properties can take several approaches to profiting from foreclosure. The most profitable approach should be determined by the circumstances.

The first approach to profit from foreclosure is to purchase the property from the property owner, subject to all claims against the property. The purchaser would then be required to reinstate or payoff the liens in order to avoid foreclosure. Lower priority claims can also be cleared off as described below.

A second method to profiting from foreclosure is to purchase the interest being foreclosed. Either the property owner or a third party can negotiate with a security holder to buy the secured position.

The property owner or a person purchasing from the property owner can then subsequently complete the foreclosure sale in order to clear off other liens or claims with lower priority. The

property owner may wish to employ a third party to purchase the secured position, in order to avoid merger of the property owner's interest and the security interest.

Foreclosure property can also be acquired at the foreclosure sale. At a typical foreclosure sale, the property is sold for the amount of the credit bid made by the secured party. Therefore, if significant equity remains in the property, a good price for the property can be obtained at the foreclosure sale. Title insurance is recommended for all purchases at the foreclosure sale.

1. What is foreclosure?

It is the legal process that a bank or mortgage company uses to force the sale of your home to repay a debt; usually the mortgage on your home. Even if one payment is missed the lending institution can take the property back and then sell it to repay the money owed them. Typically, a foreclosure notice is filed after three or four payments are missed.

2. What is the foreclosure process and how long does it take?

Each state governs the foreclosure process differently. As a minimum, the law requires that the borrower receive sufficient warning or notice before the foreclosure can take place. Other rights and responsibilities may be outlined in the mortgage or loan documents you signed when you purchased the home.

3. Do I have any options and if so, how much time do I have to exercise my options?

You have several **options** available to you as long as you own your home. Once your house is sold, whether by you or through foreclosure, many of your options are no longer available.

Knowing what your options are, you are in a much stronger position to deal effectively with the foreclosure process. Once the foreclosure process has begun, if you're armed with the right information, you may be able to save your home from foreclosure and, in some instances, avoid the foreclosure process altogether.

4. I get letters and notices from people claiming they can help me save my home - are they for real?

Most of these offers are legitimate however, none of them will do anything that you can't do yourself

When foreclosure documents are filed they become a matter of public record and many people review these records for various purposes such as compiling lists to sell to bankruptcy attorneys, investors, real estate professionals and other people interested in either purchasing your home or . . . helping you save it.

First, you must decide what you to do, keep your home or sell it, and then whether or not you want to save your home yourself or hire an attorney or other service to help you. It's a good idea to know your options before proceeding . . .

5. What if I want to keep my home, how can I save it?

The best place to start is to familiarize yourself with the **foreclosure process**, **forbearance** and other **options** available to you, and then, contact your lending institution to discuss your options .

6. I would rather sell my home than lose it to foreclosure . . . is this possible?

Yes! It's called the Compromise Sale or the "Short Sale" and a foreclosure notice does not prohibit you from selling your home as long as you own it. However, you must act quickly and select the right real estate professional, one well versed in these types of sales.

7. Can I just walk away? I don't want to keep the house nor bother with trying to sell it. What would happen?

There is a legal process for walking away from your home or forfeiting your property. You should seek the advice of an attorney and a real estate professional well versed in this area because you could face catastrophic consequences if you just walk away.

8. What happens when they foreclose?

While the actual process may vary from state to state, the Trustee announces the sale, informs the public who the lending institution is, who the borrower(s) is (are), the amount of overdue debt, and your total indebtedness.

Then the trustee opens the bidding, (your lending institution may also open the bidding). Either someone purchases the property or it reverts back to the lending institution. Once the property is sold or reverts back to the lender, the eviction process begins!

9. What does "Short Payoff" mean?

Your lender agrees to accept less than the total owed in exchange for releasing the mortgage as a lien on the property. (it's also called pre-foreclosure sale, short sale, pre-sale and compromise sale).

There may be serious tax consequences.

10. Can they sell my house for less than what I owe?

Yes! Banks are not in the business of owning or selling homes and they do not like to foreclose on property because it's expensive and they usually lose money. They must prepare the home for sale, hire a real estate agent to sell it, and until it's sold, it remains a non-producing asset on their books. The lending institution would rather take a loss on the home than have it remain on their books as a non-producing asset.

11. They sold my house for more than I owe, do I get any money?

Yes! Any amount over the total debt owed will be paid to you upon the transfer of ownership (closing).

However, if they sell it for less, the balance is called a deficiency and your bank can use whatever means they deem necessary to collect the outstanding balance. Most states treat this as an unsecured debt (just like credit card debt) and give the bank (or creditor) the same legal rights to pursue you, usually by suing you in court.

12. Who can bid on my home at the auction?

Anyone, including yourself can bid at the auction. However, some states require a cashiers check in the amount of the purchase price or bid, some states require a deposit and the ability to fund within a specified period of time as required under the terms of the contract.

13. What happens if no one bids on my property?

The bank simply takes possession of your property, through eviction if necessary, and then hires a real estate agent to sell the property.

14. How does a Sheriff's Sale work?

If you fail to pay your property taxes the city to which the taxes are due can foreclose through a Sheriffs Sale. Some cities will use this option after one year of non-paid taxes while other cities may wait 3 years or more. Additionally, any creditor or lien holder can use this option once you default on a loan.

15. If I'm evicted, how many days notice do I get?

Typically you'll get 3 days notice! Most banks will start the eviction process immediately after the foreclosure process but the FHA and VA are slower. If you own rental property, your tenants will normally be given 30 days notice. If you need more time than given, contact your lending institution immediately to ask for an extension.

16. Do I really stand a chance of saving my home from foreclosure?

Yes! If your willing to fight for it. Knowing and understanding what options are available to you is the first step. The most utilized options are bankruptcy, refinance, and reinstatement of the loan. Your success will depend on implementing the proper option in a timely manner.

17. I've missed a few mortgage payments, now what happens?

Foreclosure may occur. This is the legal means that your lender can use to repossess (take over) your home.

When the actual foreclosure happens you must move or you'll be evicted anyway. Also, you may still owe the lender if they sell the house for less than you owe. You do have several options but because foreclosure or a deficiency

judgment could seriously affect your ability to qualify for credit in the future, you should avoid it if all possible!

18. I received a foreclosure notice, what should I do?

1. Contact your lender immediately, explain your situation and why you are having trouble making your payments. Provide them with your monthly income and expenses . . . be honest! **Do not ignore the letter!**
2. Do not move out of your home! If you do, it may be considered abandoned and cause you to not qualify for assistance.
3. Contact a HUD-approved **housing counseling agency**. They have information on services and programs that could help you including credit counseling - - usually free!
4. If you bought your home with a Veterans Administration (VA) guaranteed loan call the VA office nearest you.

19. What options do I have once I've received a foreclosure notice?

Your options include the following:

Special Forbearance. Your lender may be able to arrange a repayment plan based on your financial situation. Your lender may even provide for a temporary reduction or suspension of your payments. You may qualify for this if:

- You have recently lost your job or source of income or;
- You had an unexpected increase in living expenses.

You must furnish information to your lender to show that you would be able to meet the requirements of the new payment plan.

Mortgage Modification. You may be able to refinance the debt and/or extend the term of your mortgage loan. This may help you catch up by reducing the monthly payments to a more affordable level. You may qualify if you have recovered from a financial problem but your net income is less than it was before the default (failure to pay).

Partial Claim. Your lender may be able to work with you to obtain an interest-free loan from HUD to bring your mortgage current.

You may qualify if:

1. your loan is at least 4 months delinquent but no more than 12 months delinquent;
2. your mortgage is not in foreclosure; and
3. you are able to begin making full mortgage payments.

When your lender files a Partial claim, HUD will pay your lender the amount necessary to bring your mortgage current. You must execute a promissory note, and a Lien will be placed on your property until the promissory note is paid in full.

The promissory note is **interest-free** and will be due if you sell or leave your property, or when your mortgage matures.

Pre-foreclosure Sale. This will allow you to sell your property and pay off your mortgage loan to avoid foreclosure and damage to your credit rating.

You may qualify if:

1. the "as is" appraised value is at least 70% of the amount you owe and the sales price is 95% of the appraised value;
2. the loan is at least 2 months delinquent prior to the pre- foreclosure sale closing date; and
3. you are able to sell your house within 3 to 5 months (depending on what your lender agrees to).

An additional benefit to this option is the assistance you will receive with the seller-paid closing costs.

Deed-in-lieu of foreclosure. As a last resort, you may be able to voluntarily "give back" your property to the lender. This won't save your house, but it will help your chances of getting another mortgage loan in the future.

You can qualify if:

1. you are in default and don't qualify for any of the other options;
2. your attempts at selling the house before foreclosure were unsuccessful; and
3. you don't have another FHA mortgage in default.

20. How do I know if I qualify for any foreclosure alternatives?

A **housing counseling agency** can help you determine which, if any, of these options may meet your needs. You should also discuss the situation with your lender.

21. What about foreclosure scams?

You can usually spot a scam because it sounds too simple or too good to be true.

If you're selling your home without professional guidance, beware of buyers who try to rush you through the process. Unfortunately, there are people who may try to take advantage of your financial difficulty. Be especially alert to the following:

Equity skimming. In this type of scam, a "buyer" approaches you, offering to get you out of financial trouble by promising to pay off your mortgage or give you a sum of money when the property is sold. The "buyer" may suggest that you move out quickly and deed the property to him or her. The "buyer" then collects rent for a time, does not make any mortgage payments, and allows the lender to

foreclose. Remember that signing over your deed to someone else does not necessarily relieve you of your obligation on your loan.

Phony counseling agencies. Some groups calling themselves "counseling agencies" may approach you and offer to perform certain services for a fee. These could well be services you could do for yourself, for free, such as negotiating a new payment plan with your lender, or pursuing a pre-foreclosure sale. If you have any doubt about paying for such services call a HUD-approved **housing counseling agency**. **Do this before you pay anyone or sign anything.**

22. So, what are the main points I should know about Foreclosure?

- Don't lose your home and damage your credit history if you can help it.
- Call or write your mortgage lender immediately.
- Stay in your home to make sure you qualify for assistance.
- Arrange an appointment with a **HUD-approved housing counselor** to explore your options.
- Cooperate with the counselor or lender trying to help you.
- Explore every alternative to losing your home.
- Beware of scams.
- Do not sign anything you don't understand. And remember that signing over the deed to someone else does not necessarily relieve you of your loan obligation.
- Act now. Delaying can't help. If you do nothing, You will lose your home and your good credit rating.

23. Can the bank just kick me out of my house?

No. Only a court order, called eviction, can force you to leave your home. The lender must first file a foreclosure notice, and then, only after the foreclosure process is complete, can the bank start eviction proceedings.

24. What is the actual foreclosure process?

It's a two-step process: Pre-foreclosure and Formal foreclosure. The process is basically the same for every state.

Pre-foreclosure

1. You miss a payment (usually it take 3 or 4 missed payments to kick off a foreclosure process)
2. The bank sends you late notices and, if you fail to respond, they attempt to contact you (in writing or by phone) to resolve situation.
3. You continue to miss payments and, you and the bank, fail to agree upon payment arrangements.

4. The bank invokes the acceleration clause and demands the mortgage or lien be paid in full. Now you are legally obligated to immediately pay the full amount plus back interest, late fees, and any legal fees incurred by the lender.
5. You have made no payments or arrangements acceptable to the bank.

Note: Once you reach this stage, the bank will not accept your regular monthly payments but will instead, demand much more to bring your loan current.

Formal Foreclosure Process

1. You receive a formal foreclosure notice, either by certified mail, or in many states, by the local sheriff.
2. The lender begins foreclosure action in court.
3. Legal notices are published in local papers.
4. You still have not been able to reach a payment or settlement arrangement with the lender.
5. Your notice and waiting periods expire.
6. The court holds a hearing regarding the bank's claim.
7. The court issues a foreclosure order. This gives the bank the legal right to sell the home.
8. Legal notice of actual foreclosure sale and advertisements published in local papers.
9. You still have not been able to reach a payment or settlement agreement with the lender.
10. The house is sold at auction to the highest bidder or not sold and the bank take possession of the home.
11. You move out or the bank or new owner evicts you.
12. You are notified of any debt still outstanding as a result of the sale. (i.e. the home is sold for less than you owe)

25. How long does the foreclosure process usually take?

It depends on your state and how aggressive the lender is. It could be as quick as 60 days or longer than six months.

26. What actually happens during an eviction?

This varies by state but generally it follows one of two paths . . .

First path:

1. You receive a notice to vacate the premises within 72 hours.
2. You leave within the time limit.

Second path:

1. You receive a notice to vacate the premises within 72 hours.
2. You fail to leave
3. The bank or new owner goes to court to ask for a hearing to decide if and when you should be evicted.
4. At the hearing the judge decides whether or not you should be evicted and if evicted, how long you can stay before moving out. (offering to pay rent will often sway the judge to grant you more time)
5. If the judge decides you are to be evicted, most states allow you 10 days to appeal the decision.
6. Once the court orders your eviction and you have not moved out by the court designated date, the bank or new owner may obtain an execution of the eviction judgment which gives the sheriff the right to physically remove you from the premises.
7. The sheriff gives you between 24 to 72 hours (depending on your state) notice to move.
8. You still refuse to move so, the sheriff physically moves you. (resist now and you face being arrested)
9. Anything left in the house is packed and moved into storage. (to get your stuff back you'll have to pay the storage fees and any additional associated fees)
10. The locks on your former home are changed.

27. How long does the eviction process take?

The national average is 8 weeks from the day you are given the eviction notice until a sheriff shows up to move you. It could take six months or more but . . . be prepared because it could be as soon as a week!

28. How many people actually lose their home to foreclosure?

About 5% to 7% are unable to save their homes! Most people either refinance or file a chapter 13 bankruptcy. About 20% are able to reinstate their existing mortgage.

29. What is the Soldiers and Sailors Act?

This was an law passed during World War II to protect active duty military members from financial difficulty. One portion of the law may be able to stop foreclosure for anyone on active duty if they meet certain requirements outline in the law. the real foreclosure date will be 3-6 weeks following the soldiers and sailors answer date.

30. Who gets the money when the house is sold at auction?

First, all real estate taxes are paid. Then first, second, third etc., mortgages are paid. Next comes any lien holders or attaching

creditors. Finally, you'll get any money left over after all debts are satisfied.

31. What does merged debts mean?

This applies only if you have a second, third, or more mortgages! If the lender holding your first mortgage forecloses then the second, third and so forth lenders no longer hold any right or title to your home. Although, you will probably still owe them money, they have no security interest in the home nor any right to foreclose on the home.

However, if you buy your own home back at the foreclosure auction, the debt may "merge" back (reattach) to the property, as if the foreclosure never happened.

Note: If you file chapter 7 bankruptcy prior to the foreclosure sale and receive a discharge (released from all debts) you will not owe any money and the lenders will no longer hold a security interest in your home.

32. What is the redemption period for buying my house back?

This varies by state. Many do not have a redemption period except when your house is sold at a sheriff's sale or for back real estate taxes.

33. What's the difference between a foreclosure and a sheriff's sale?

Foreclosure sales are auctions held by the mortgage holder while a lien holder or attaching creditor holds a sheriff's sale.

Utah - State Foreclosure Procedure/Processing Time Frames

Utah's Trust Deed statutes, which model the California Act, have been in place since 1961. Because Utah Code has conferred the private power of sale on trustees of real estate Trust Deeds, Trust Deeds in Utah are foreclosed non-judicially. The entire process takes approximately four and one-half months, the detail of which is included in subsequent paragraphs.

It is important to remember that the underlying documents which outline the terms and conditions of the original obligation may contain provisions in addition to the Trust Deed requirements. Therefore, carefully review these documents to discover if there are additional provisions, which must be met prior to commencing foreclosure actions.

The foreclosure work is commenced on a file once the referral package is received. This should include a current status sheet on the loan, copies of the Trust Deed Note, Trust Deed, all assignments, title policy and Mortgage Insurance Certificate (if available) and possibly the Substitution of Trustee. If your foreclosure referral package includes the Substitution of Trustee, the Notice of Default will be immediately prepared and both documents recorded within 10 days

of the date the referral is received. Preparing the Substitution and sending it back for execution by overnight mail will add approximately two weeks to the time before recording the Notice of Default.

After recording the Substitution of Trustee and Notice of Default, copies of these papers must be mailed to the Trustors, as well as all others who have recorded a written request for the receipt of any notices filed, within 10 days of the recording date. As a matter of practice, notices are mailed to all persons appearing to have an interest in the property as determined by the foreclosure title report.

The Trustors, fee title owner or any creditor has the right to reinstate the loan delinquency within three months after the date of recording by paying all delinquent installments, late charges, inspection fees and the foreclosure fees and costs. If not reinstated during this three month period, the matter is set for a Trustee's Sale which takes place four or five weeks after the end of the reinstatement period. It is optional with the beneficiary whether a reinstatement will be accepted after the three-month reinstatement period has ended. However, the V.A. regulations require the beneficiary to accept a reinstatement right up to the time of sale, and H.U.D. strongly recommends it.

From the time that the sale is set and prior to when the sale is actually held the Notice of Trustee's Sale must be published in a newspaper having general circulation in the county where the property is located for three consecutive weeks. The last publication must be at least 10 days, but not more than 30 days, before the sale. Also, the property and three other public places in the same county must be posted with a copy of the Notice of Sale at least 20 days prior to the sale date. You will be notified of the exact sale date approximately four weeks prior to the sale. At that time, it is requested that bid instructions be provided sometime prior to the actual sale date. Usually two to three days in advance is appropriate.

After the sale takes place, a Trustee's Deed to the successful bidder will be prepared. This is usually H.U.D., V.A. or the beneficiary of the conventional loan. Trustee's Deeds on conventional loans will be prepared and sent for recording approximately one week following the sale. On V.A. loans, the Trustee's Deed is recorded in the name of the beneficiary and a Special Warranty Deed from the beneficiary to the V.A. is subsequently recorded. The V.A. requires that both deeds be recorded within seven days following the date of sale. Due to H.U.D. regulations that need to be met, the Trustee's Deeds on F.H.A. loans is prepared immediately, but awaits approval before being recorded.

At the time the Trustee's Deed is recorded, the necessary title work is ordered to show clear title to the purchaser. Experience has shown that it may take ten days to obtain the title packages.

As soon as the final title package is received, a copy is sent to the client's office, along with the foreclosure bill. The original title package is mailed to F.H.A. or the V.A. as appropriate. This completes the foreclosure process.

Occasionally this process is interrupted by bankruptcy, an eviction, or title problems. Mortgages are also valid in Utah, but are not often used. The foreclosure of a mortgage requires court action. Only one or two percent of Utah loans are secured by Mortgages rather than Trust Deeds. The process of foreclosing a Mortgage takes approximately eight and one-half months.

While the foreclosure process in Utah is straight forward, it is imperative that the statutory requirements and time lines be met. Failure to abide by these critical dates can mean a delay in foreclosure and possibly the loss of much if not all of your investment.

Utah Non-Judicial Trust Deed Foreclosure Timeline

Week 1

The file is opened the day it is received and reviewed. It is assigned a file number and entered into a computer system. If a Substitution of Trustee is received with the referral package, a Notice of Default is then prepared and recorded within ten days of receipt of the referral. If a Substitution is not included with the referral, one is prepared and sent to the client for execution by overnight mail delivery.

Week 2

As soon as the documents are recorded, a foreclosure title report is ordered. A conformed copy of the recorded Notice of Default and Substitution of Trustee are mailed to the original trustors, present owners, and all other parties with a recorded interest by certified mail. A letter of the recording date, when the three-month reinstatement period will end, and the estimated sale date notifies the client.

Week 15

At the end of the three-month reinstatement period, the file will be pulled and set for a Trustee's Sale. The Trustee's Sale is held approximately five weeks after the reinstatement period ends. The Notice of Trustee's Sale is mailed to the original trustors, present owners, and all other parties with a recorded interest by certified mail. The Notice of Trustee's Sale must be published in a newspaper having general circulation within the county the property is located, once a week for three consecutive weeks, the last publication being at least 10 days prior but not more than 30 days prior to the sale. The Notice of Trustee's Sale must also be posted on the property and 3 other public places within the same county the property is located at least 20 days prior to the sale. The client will be notified by letter of the sale date and will be asked for bidding instructions prior to the sale.

Week 20

The Trustee's Sale is held and a Trustee's Deed is prepared conveying the property to the highest bidder at the sale. If HUD purchases the property, the Trustee's Deed is held until notified to record it. A copy of the unrecorded deed is sent to the client for their claim. If it is a conventional loan, the Trustee's Deed is recorded immediately, and a conformed copy is sent to the client. If it is a VA loan, the Trustee's Deed is recorded in the name of the beneficiary and a Special Warranty Deed from the beneficiary to the VA is subsequently recorded. The VA requires both deeds to be recorded within seven days following the date of sale. A conformed copy of each document is sent to our client as well as to the VA. After the Trustee's Deed is recorded, a final title package is ordered which upon receipt is forwarded to the client, HUD or the VA, whichever applies.