



Foreclosure Survival Playbook

How to read your default notice and choose the right exit

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Why this playbook exists

If you're reading this, you've probably received a Notice of Default, a foreclosure complaint, or a sale-date letter. Every day matters — but most sellers in your position lose weeks because nobody walks them through what each document means, what the actual deadlines are, and what their real options are.

I've been involved in over 4,500 cash home purchases, and a significant share of them were foreclosure rescues — sellers who needed to close in days, not months. This playbook is the same conversation I'd have at your kitchen table, condensed into 30 minutes of reading.

It is not legal advice. State foreclosure law varies enormously — judicial states like Florida and New York take 12-24 months from start to sale, while non-judicial states like Texas and California can finish in 90 days. Always consult a foreclosure attorney in your state before signing anything.

IF THE SALE IS IMMINENT

If your foreclosure sale is less than 14 days away, stop reading this playbook and call a foreclosure attorney in your state immediately. After the auction, your options narrow dramatically.

Phase 1: Understand what's actually happening

The foreclosure process is a sequence of legal events with statutory deadlines. The most common terms you'll see:

- **Notice of Default (NOD)** — the formal start. Triggered after 90-120 days of missed payments. The clock to cure (bring the loan current) begins now.
- **Lis Pendens** — Latin for 'lawsuit pending.' Recorded on title in judicial states when the lender files the foreclosure complaint in court. Clouds your title.
- **Notice of Sale (NOS) / Trustee Sale Notice** — schedules the auction. Must typically be posted 21 to 90 days before the sale, depending on state.
- **Cure period** — the window where you can bring the loan current (pay past-due + fees) and stop foreclosure cold. Ends 5-21 days before the sale in most states.
- **Right of redemption** — in some states (AL, IA, MI, WI, KY), you can buy back the property after the auction. Most states have none.

- **Deficiency judgment** — if the home sells for less than you owe, the lender may sue you for the difference. Many states ban or limit this for non-judicial sales.

FREE TOOL

Your state's exact timeline is in the free Foreclosure Timeline Tool at buyhousesincash.com/foreclosure-timeline-tool. Look up your state before reading further — every decision below depends on it.

Phase 2: Read your documents carefully

Every document the lender sends has a deadline buried in it. The lender's attorneys are paid to be precise — if a date is on the page, it's enforceable. Here's the order of operations on a typical foreclosure file:

Step-by-step document checklist

- Pull every letter from the lender out of the pile and sort chronologically
- Highlight every date, dollar amount, and case number on each document
- Find your Notice of Default — note the exact recording date
- Calculate the cure-period deadline from your state's statute
- If a Notice of Sale exists, note the auction date (this is the hard deadline)
- Verify the mortgage balance and total reinstatement amount the lender claims
- Check whether your state requires pre-foreclosure mediation (CA, NV, FL, others) — if so, request it in writing
- Make copies of everything before contacting the lender; never give up your originals

Phase 3: Choose your exit

There are essentially five outcomes from a foreclosure. The right one for you depends on equity, time, and what you can afford going forward.

Outcome	When it makes sense	Credit impact
Reinstate (cure the default)	You can come up with the past-due amount + fees in cash and resume the regular payments.	Mild — no negative impact on report for 7 years but late fees are reported.
Loan modification	Your income has dropped permanently but you want to keep the house typically 30-50% of LTV.	Moderate — typically 30-50 point drop, the rate, extended term.
Short sale	You're underwater and need to sell. Lender agrees to accept less than the full amount to be satisfied.	Significant — 25-100 point drop, stays on credit 7 years.
Cash sale (close before auction)	No equity at all and need speed. A cash buyer pays off the loan in full and you keep the deed.	None — no negative impact on report.
Deed in lieu of foreclosure	No equity, no buyer interest. You sign the deed back to the lender.	Significant — 25-100 point drop but no auction record.
Foreclosure auction	Default outcome if you do nothing.	Severe — 100-160 point drop, stays on credit 7 years.

Phase 4: If you're choosing a cash sale

A cash sale before the auction date is the only option that pays the loan in full and protects your credit completely. The mechanics:

- Contact one or more legitimate cash buyers (avoid yard-sign wholesalers — they reassign contracts)
- Get a written offer within 24-48 hours
- Verify the buyer can actually close before the auction date (most need 7-14 days)
- Confirm the title company will issue a payoff demand to your lender
- Sign the purchase agreement and any inspection waivers
- Title company orders payoff letter from lender (good for 10-15 days)
- Close at the title company — lender is paid in full, foreclosure is dismissed
- Any equity over the payoff balance comes to you at closing

FORECLOSURE RESCUE SCAMS

Avoid any 'cash buyer' who asks you to sign a contract before they've inspected the property, charges an upfront fee, or asks for the deed in exchange for a 'rescue' promise. These are scams. Reputable buyers (like BuyHousesInCash) buy with their own funds, charge zero fees, and close at a real title company in your county.

Phase 5: After the auction (if you missed it)

If the property has already been sold, your options are narrow but not zero:

- If your state has a redemption period (AL, IA, MI, WI, KY, others), you can buy back the property by paying the full sale price + interest + fees within the redemption window
- If you're still in possession, you'll receive an eviction notice — typically 3-30 days to vacate depending on state
- Cash for keys: many new owners (including investor purchasers) will pay \$1,000-\$5,000 for a voluntary, clean move-out instead of pursuing eviction
- If a deficiency judgment is threatened, consult a bankruptcy attorney — Chapter 7 can discharge most deficiencies

Need to close before your auction date?

We close in 7 days. No fees. No repairs. No reassignment.
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About the author

John Quigley is the founder of BuyHousesInCash and has personally been involved in or supervised more than 4,500 residential cash purchases across all 50 U.S. states. He writes every guide and tool on the site, including the Foreclosure Timeline Tool, the Cash Offer Estimator, and the Net Proceeds Comparator. Contact: hello@buyhousesincash.com.