

You have chosen to pursue the primary method of foreclosure, known as non-judicial foreclosure. If you are involved in a multi-lender loan, we have received instructions from the majority to begin foreclosure. **PLEASE READ** this entire document and review the *Important Points & Estimated Fees* sections thoroughly.

This type of foreclosure does not involve court action. When the deed of trust is initially signed, it will usually contain a provision called a power of sale clause, which upon default allows a trustee (in this case, Del Toro) to sell the property in order to satisfy the underlying defaulted loan. We act as a representative of the lender to effectuate the sale, which typically occurs in the form of an auction.

California has what is known as the one-action rule. If a foreclosure is completed by non-judicial means, a second action to recover a deficiency judgment is not permitted. By using a **judicial foreclosure** (more information on our website), a lender may recover a deficiency judgment in certain circumstances. But since this process takes longer and can cost significantly more than a non-judicial foreclosure, it is rarely used.

The 3 most likely scenarios from here are:

➤ **Your borrower reinstates and cures the foreclosure**

- Either through payment in full, including foreclosure fees, late fees etc.
- Enters into a loan modification, agreed to by you
 - We can assist in the negotiations. Del Toro has a loan modification program, approved by the department of Real Estate that can be of great benefit to you – possibly eliminating 90 days of the foreclosure process. Contact us or visit our website for more information
 - We can prepare the proper documents, spelling out an agreement reached by you and the borrower
 - If you do negotiate a “forbearance agreement”, the foreclosure would be placed on hold, not entirely cancelled, in order to protect your place in the f/c process. This is generally allowed for up to one year. Please consult with us in great detail if this is your chosen path.

➤ **The property will be sold at auction**

- Funds would be delivered to us as your agent
- We will disburse funds to all beneficiaries based on their pro rata ownership once we have paid all expenses associate with the loan file

➤ **If there are no bidders at your listed price, the property will revert to you**

For more information on this topic, please review your loan servicing agreement and the REO section of our website.

Power of Sale Notice Requirements: Timeline Attached

➤ **A notice of default is recorded in the county in which the property is located**

- The foreclosure process does not move forward for a minimum of 90 days.

- The majority of costs are incurred in the first few days of the NOD period. Most of these expenses are regulated by civil code. More information on fee structure is available in this packet and on our website www.DelToroLoanServicing.com.
- **The borrower must receive a twenty (20) day notice before any foreclosure sale, further notice of the foreclosure must:**
 - Be mailed to the defaulting borrower (and other creditors whose liens affect the property)
 - Be posted at the property being foreclosed upon
 - Be published in an approved periodical in the county where the sale would occur
- **The defaulting borrower may prevent the foreclosure sale by:**
 - Paying all arrearages up to five (5) days before the sale
 - Agreeing to a forbearance or modification (upon lender approval)
 - During the 5 days preceding the auction, the beneficiary can insist on payment in full or any portion of the balances due
- **Foreclosure sales must take place on any business day between the hours of 9AM and 5PM and must occur at the location referenced on the notice of sale. The trustee will auction the property to the highest bidder, including the lender.**
 - We will contact you a minimum of 3 days prior to auction to obtain your bidding instructions.
 - Your opening bid may not exceed the amount owed to you
 - We cannot advise you as to bidding strategy. There are valuable articles and links on this subject on our website.

The laws that govern California foreclosures are found in California Civil Code, Section 2924. To view these statutes on the Web, you can visit our website: www.DeltoroLoanServicing.com or the State of California's site at: www.leginfo.ca.gov (For CA loans only. You will find links to many other state's sites on our website)

Important points:

- Once your foreclosure has begun, we cannot accept partial payments from your Borrower. Any payments received that are insufficient to reinstate, will be returned for your protection.
- If your loan is a multi-lender loan, we must have a 51% or better vote to stop the foreclosure process for any reason
- We will proceed to auction with a full credit bid unless otherwise instructed by the majority
- Under no circumstances should you negotiate terms or accept payment outside of Del Toro; this could seriously jeopardize your foreclosure process
- Insurance companies require notice in cases of material changes to the property INCLUDING the filing of an NOD. We do not do this on your behalf but we strongly recommend you consider notifying the borrower's insurance company or placing a forced placed policy on the property
- If your borrower files for bankruptcy protection, we must stop the process and contact you for further instructions. It has been our experience that swift and strong legal action on your part can save months of delays. Please ask us to set up a free consultation with one of our attorneys
- Costs and expenses, not recovered from your borrower become your liability. Please make sure that you understand our billing process
- If your loan is secured by an income producing business or dwelling, we can assist you in exercising your "assignment of rents" clause, if your loan docs provide for it
- Please review your servicing agreement and our website for information regarding REO management

ESTIMATED FEE SCHEDULE

OUTSIDE VENDOR FEES ARE PRICED WITH NO MARKUP

Recording Fees (1 st page)	\$12
Certified and Regular Mail	\$7.50
Estimated Publication Charges	\$350 - \$1500.00
Estimated Posting	\$120.00
TSG Policy	\$1.75 per \$1,000 of unpaid principal balance
Cancellation Fee	\$50.00 - \$250.00 depending on timeline

TRUSTEE'S FEES

FEES ARE SET AND REGULATED BY CALIFORNIA CIVIL CODE

REFERENCES TOTAL TRUSTEE'S FEES DUE THROUGH THE RESPECTIVE STAGE

PRINCIPAL BALANCE		NOD Stage		NOS Publication		Trustee Sale
\$ 50,000.00		\$ 300.00		\$ 425.00		\$ 500.00
\$ 55,000.00		\$ 325.00		\$ 475.00		\$ 550.00
\$ 60,000.00		\$ 350.00		\$ 525.00		\$ 600.00
\$ 65,000.00		\$ 375.00		\$ 575.00		\$ 650.00
\$ 70,000.00		\$ 400.00		\$ 625.00		\$ 700.00
\$ 75,000.00		\$ 425.00		\$ 675.00		\$ 750.00
\$ 80,000.00		\$ 450.00		\$ 725.00		\$ 800.00
\$ 85,000.00		\$ 475.00		\$ 775.00		\$ 850.00
\$ 90,000.00		\$ 500.00		\$ 825.00		\$ 900.00
\$ 95,000.00		\$ 525.00		\$ 875.00		\$ 950.00
\$ 100,000.00		\$ 550.00		\$ 925.00		\$ 1,000.00
\$ 110,000.00		\$ 600.00		\$ 1,025.00		\$ 1,100.00
\$ 120,000.00		\$ 650.00		\$ 1,125.00		\$ 1,200.00
\$ 130,000.00		\$ 700.00		\$ 1,225.00		\$ 1,300.00
\$ 140,000.00		\$ 750.00		\$ 1,325.00		\$ 1,400.00
\$ 150,000.00		\$ 800.00		\$ 1,425.00		\$ 1,500.00
\$ 250,000.00		\$ 1,000.00		\$ 1,860.00		\$ 2,500.00
\$ 500,000.00		\$ 1,625.00		\$ 3,110.00		\$ 5,000.00
\$ 1,000,000.00		\$ 2,250.00		\$ 4,360.00		\$ 10,000.00

CALIFORNIA NON-JUDICIAL FORECLOSURE TIMELINE

Timeframe		Process
Prior to Filing		Submit written request to DTLS - visit our website
Go!		Record Notice of Default & Obtain TSG
10 & 30 Days		Perform Required Mailings
2 Months		Obtain Authorization to Publish & Non-Military Affidavit
3 Months		Prepare Notice of Sale & Order Updated TSG
25 Days Prior to Sale		Mail IRS Notice (if applicable)
No Later than 20 Days Prior		Publish, Post and Mail NOS
No Later than 14 Days Prior		Record NOS
3 Days Prior		Obtain Your Bidding Instructions
Sale Date		Conduct Sale - Begin the REO Process if Necessary

This process will vary slightly if your loan is secured by an owner occupied dwelling. Del Toro Loan Servicing has been granted an exemption to Civil Code 2923.5 requiring a 90 extension to the above process. Please contact us for further details if you foreclosure action would displace the borrower from their primary place of residence, even if it is multiunit or commercial.