

## IMPORTANT FACTS TO PROTECT YOUR INVESTMENT

The process of non-judicial foreclosure is a highly effective way to protect your Trust Deed investment, as long as you take certain steps to protect your interests throughout the process. As the Beneficiary, there are steps only you can take to ensure a successful foreclosure.

1. **Hazard Insurance:** Since the subject property serves as the collateral for your loan, it is crucial for you to ensure the property is fully insured, and that you are named as an insured party. If you have no proof of a Hazard policy on the property with you being named as an additional insured lender, you should contact the Borrower (or, if applicable, the senior lien holder) and obtain the name and contact information of the insurance agent. Contact the agent and request proof of your status as an additional insured party, and if you are not, contact an insurance agent and obtain a policy. Any expenditure you make to secure the underlying collateral on your loan can be charged to the Trustor you are foreclosing on. It is your responsibility to inform us of any expenditure you make in order to include them in your final payoff figures to the Trustor.
2. **Real Estate Taxes:** If the borrower is delinquent making their payments to you, chances are their Taxes are also delinquent. You can check the status of property taxes by calling the Tax Collector's office in the county the property is located in, or by going on-line to the County Tax Collector web site. Delinquent taxes in CA carry an 18% interest rate until they are paid. Since all advances made by you to protect your investment earn you the same interest as the foreclosing note, it is a prudent move to pay the taxes and add them to your payoff, as the full tax liability ultimately stays with the property (if you were to become the owner of the property after foreclosure, you would be stuck paying the penalty). **Remember that delinquent taxes by themselves are a reason to start a foreclosure against the Borrower (Trustor), as non-payment of the property taxes puts your investment in jeopardy, and you have the legal right to protect your investment.**
3. **Senior Liens:** If there are senior liens ahead of you, it is your responsibility to make sure they are kept current; failure to do so will put your lien in jeopardy of being wiped out if they foreclose. Any advances on senior liens, along with any notification of a Notice of Default or Notice of Trustee Sale being recorded, must be reported to us to ensure all expenditures on the file are included in your payoff demand.
4. **Partial Payments:** If you choose to accept a partial payment from a delinquent Borrower, your foreclosure process is null and void, unless they sign a forbearance agreement that specifically states they are aware that the payment made will not stop the ongoing procedure. In almost all cases, it is better to only accept full payment from a delinquent Borrower. Please contact us BEFORE you agree to any partial payment so we can advise you on the best way to protect yourself from additional costs and delays.
5. **Bankruptcy:** If the Borrower files for Bankruptcy protection, all actions regarding the foreclosure must immediately stop. To proceed with the foreclosure, "Relief from stay" or "dismissal" must be obtained from the courts. As the foreclosing lender, you can either wait for the borrower to violate the terms of the court approved bankruptcy, or you can obtain legal representation and have your attorney request immediate relief from stay. If you decide to push for immediate relief from stay and do not have counsel specializing in this area of law, we can refer you to a number of reputable attorneys.

**If you have any questions during the process, please contact us immediately at (800) 664-2567. We have over 60 years of cumulative experience in processing non-judicial foreclosures, and are here to ensure your rights and interests are protected.**