CONNECTICUT

Foreclosure *Survival Guide*

What Every CT Homeowner Needs to Know Before the Auction Date

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- CH 4 5 Options to Stop or Survive Foreclosure
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Neighborhood Property Solutions LLC

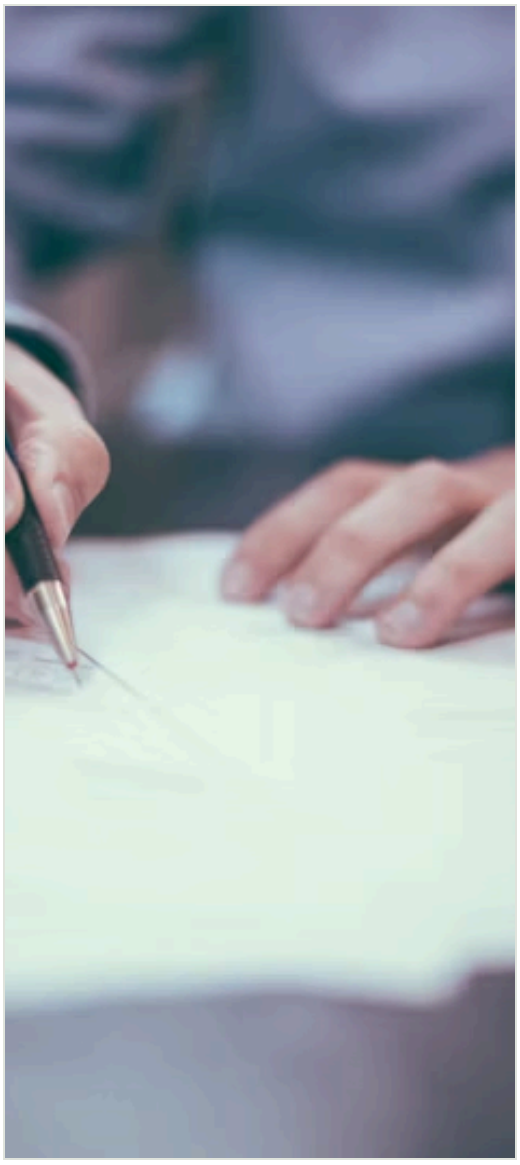
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Chapter 1

How CT Foreclosure Actually Works

Connecticut is a **judicial foreclosure state** — meaning your lender cannot simply take your home. They must sue you in court and obtain a judge's order before anything happens to your property. This gives you time and options that homeowners in other states don't have.



There are two types of foreclosure in Connecticut. Understanding which one applies to you changes everything about your strategy and timeline.

STRICT

Strict Foreclosure — Most Common in CT Court sets a "Law Day" — miss it and title transfers directly to the lender. **No auction. No proceeds. The bank keeps all equity.**

BY SALE

Foreclosure by Sale — Less Common Court orders a public auction. Any proceeds above the mortgage balance go to you.

Why Strict Foreclosure Matters

Under strict foreclosure, if you miss your Law Day deadline, **you lose everything** — including all the equity you've built. A home worth $280,000 with a $180,000 balance means $100,000 in equity. Miss the Law Day and that $100,000 disappears. The bank keeps it all.

> In CT strict foreclosure there is NO auction and NO surplus proceeds. Miss your Law Day and you walk away with nothing — even if your home is worth significantly more than what you owe.

Who Can Foreclose on Your Property?

- **Mortgage lenders** — after 90+ days of missed payments (federally required)
- **HOA / Condo associations** — for unpaid dues and assessments
- **Municipal governments** — for delinquent property taxes
- **Judgment creditors** — if a court judgment has been placed against you
- **Second lienholders** — home equity loans or second mortgages



Chapter 2

Your Legal Rights During the Process

Many homeowners facing foreclosure don't realize how many protections Connecticut law provides. **Knowing your rights is the first step to making smart decisions under pressure.**

Right to Proper Notice

Your lender must send written notice of default and intent to foreclose, waiting at least 90 days after your first missed payment before filing suit. Any foreclosure filed without proper notice can be challenged in court.

Right to Cure the Default

Before the Law Day, you can stop the foreclosure by paying all missed payments, fees, and legal costs — called "reinstatement." Your lender cannot refuse a complete reinstatement payment.

Right to Mediation

Connecticut's Foreclosure Mediation Program entitles you to meet with a neutral mediator and your lender to explore alternatives: loan modification, repayment plans, short sale, or deed in lieu. Request this early — it's free and it works.

Right to Notice of Law Day

The court must formally notify you of your Law Day deadline. You can typically request an extension ("continuance") from the judge, especially when actively pursuing a resolution.

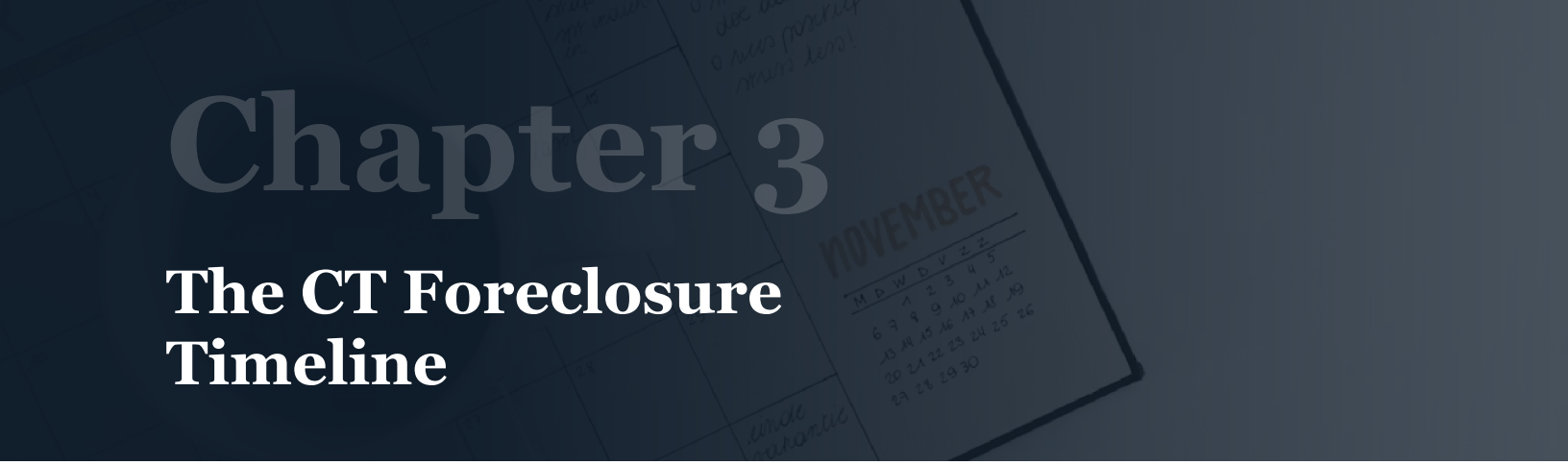
Right to Sell Your Home

You can sell your property at any point before the Law Day — even during active foreclosure proceedings. A sale that pays off the mortgage in full stops the foreclosure completely and permanently.

Right to Redeem After Law Day

Even after missing your Law Day, a brief window may exist to redeem your property by paying the full balance, depending on the court's judgment.

> Do NOT ignore court summons or foreclosure filings. Failing to respond within 30 days results in a default judgment — eliminating many of your rights and options.



Chapter 3

The CT Foreclosure Timeline

Connecticut foreclosure typically runs **12 to 24 months** from first missed payment to loss of title. Use this timeline to understand exactly where you are and how much time you have left to act.

Month 1–3

Missed Payments

Easiest time to resolve. Loan delinquent. Calls and letters from lender. No court action yet. Late fees accumulate.

Month 3

Notice of Default

Federal law requires lender to wait 120 days before filing. Formal Notice of Default sent. HUD counseling resources available.

Month 4–5

Lawsuit Filed

Lender files in Superior Court. You are served a summons. 30 days to respond. **Apply for mediation immediately.**

Month 5–6

Mediation Period

If requested, mediation begins — usually 1–3 sessions. Lender must participate in good faith. Strong options still available here.

Month 6–12

Judgment Entered

If mediation fails, case proceeds to judgment. Judge sets a Law Day — typically 90–150 days out. This is your final deadline to act.

Law Day

Title Transfers

If unpaid: title goes to lender. All equity is lost. No auction. No proceeds. Eviction proceedings begin.

KEY POINT

The earlier you act, the more options you have. At Month 1–3, a payment reinstates. By Month 6, mediation is still open. After judgment, a cash sale is often the only way left to protect your equity. **Every month of inaction costs you options — not time.**



Chapter 4

5 Options to Stop or Survive Foreclosure

The right option depends on your timeline, equity position, and financial situation. Each option below is rated for speed, ease, and equity protection.

1
Reinstatement — Pay All Arrears
Pay every missed payment, late fee, and legal cost in a lump sum. Stops foreclosure immediately and you keep the home. Best if you have access to funds and want to keep the property.

Speed
Ease
Equity Protection
2
Loan Modification
Negotiate with your lender to permanently change loan terms. Takes 30–90 days, requires proof of hardship and sufficient income. Success rate varies by lender.

Speed
Ease
Equity Protection
3
Short Sale
Sell for less than you owe with lender approval. Takes 3–6 months. Best if you owe more than the home is worth and have no equity to protect.

Speed
Ease
Equity Protection
4
Deed in Lieu of Foreclosure
Voluntarily transfer the property to the lender in exchange for release from the mortgage debt. You walk away with nothing. Only makes sense if you have little or no equity.

Speed
Ease
Equity Protection
5
Sell to a Cash Buyer ★ RECOMMENDED
Sell before the Law Day. Proceeds above what you owe go directly to you — protecting equity you've worked years to build. Closes in 7–14 days, no repairs, no agent fees. **Best for homeowners with equity who need to act fast. This is what we specialize in.**

Speed
Ease
Equity Protection



Chapter 5

How a Cash Sale Protects Your Equity

If you have equity in your home, a cash sale before the Law Day is almost always the best option. Here's the math that matters and exactly what to expect from start to finish.

What Happens to Your $120,000 in Equity?

$0

You Keep

Strict Foreclosure

~$95K

You Keep

Cash Sale

- ✗ Bank takes ALL equity under strict foreclosure
- ✓ Cash sale closes in 7–14 days
- ✓ Foreclosure stopped permanently at closing
- ✓ You choose the closing date
- ⚡ Every month of delay costs you options

	STRICT FORECLOSURE (MISS LAW DAY)	CASH SALE BEFORE LAW DAY
Home Value	$285,000	$285,000
Mortgage Balance	$165,000	$165,000
Your Equity	$120,000	$120,000
What You Receive	$0	$90,000 – $110,000*

	STRICT FORECLOSURE (MISS LAW DAY)	CASH SALE BEFORE LAW DAY
Foreclosure on Record	Yes	No
Credit Impact	Severe	Minimal

* After costs. Exact amount depends on condition, market, and offer.

How Our Cash Sale Process Works

1

Free Property Review — Within 24 Hours

Tell us about your property. We assess condition and prepare a fair cash offer — no inspection required, no obligation.

2

Receive Your Written Cash Offer

Clear written offer with full breakdown. No pressure. We can typically present an offer within 24–48 hours.

3

Choose Your Closing Date

You pick the date — as fast as 7 days to beat a Law Day deadline, or longer if you need more time.

4

Close and Receive Your Cash

We handle all paperwork, pay closing costs, and pay off your mortgage. Remaining proceeds go directly to you. Foreclosure stopped permanently.



Chapter 6

Your Next Steps

Every foreclosure situation is different. Here's what we recommend doing right now — regardless of where you are in the process.

1. Know your Law Day date.

If a judgment has been entered, find out your exact Law Day from the court docket or your attorney. This is your hard deadline — everything works backward from this date.

2. Know your equity position.

Get a rough market value estimate and compare it to your total mortgage balance including all liens. If value exceeds debt, you have equity to protect and a cash sale makes strong financial sense.

3. Apply for CT Foreclosure Mediation immediately.

If you have been served and have not yet requested mediation, do so now. It's free, it buys time, and it forces your lender to the table. File form JD-CV-107 with the court clerk.

4. Contact a HUD-approved housing counselor.

Free counseling is available through CHFA and other HUD-approved agencies. They can review your options and communicate with your lender on your behalf at no cost to you.

5. Get a free, no-obligation cash offer.

Even if you're not sure you want to sell, knowing your home's cash sale value gives you critical information for every other decision. It costs nothing and obligates you to nothing.

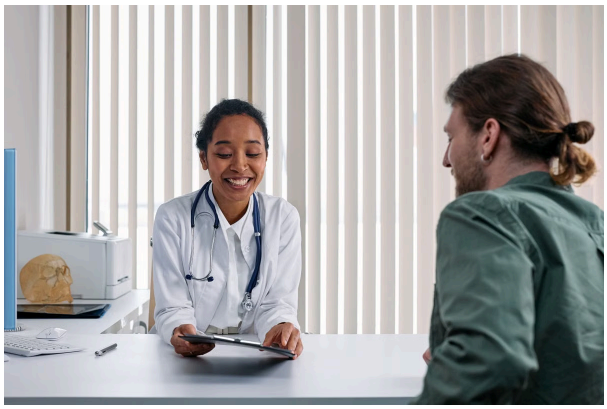
200+
CT Homes Purchased
7
Day Fastest Close
5★
Average Rating
$0
Fees or Commissions

What CT Homeowners Say

★★★★★
“We were three months from our Law Day and had no idea what to do. NPS made a fair offer within 24 hours and we closed in 10 days. We walked away with over $80,000 in cash instead of losing everything.”

Michael R.
Hartford, CT
★★★★★
“I inherited a property with back taxes and a second mortgage. I thought I’d lose it all. NPS sorted out all the liens at closing and I still came out with a check. I’m grateful we called when we did.”

Sandra M.
Bridgeport, CT



Ready to Talk? We’re Here.

Helping Connecticut homeowners close fast and keep their equity — *since 2018*. Call or text us for a free, confidential conversation about your situation. No pressure, no sales pitch — just honest answers from local CT investors who have helped hundreds of homeowners navigate exactly what you’re facing.

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🌐 neighborhoodpropertysolutions.com

This guide is provided for informational purposes only and does not constitute legal advice. Connecticut foreclosure laws and timelines vary by situation. Please

consult a licensed Connecticut attorney for advice specific to your circumstances.

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