Worried About Losing Your Home? Understand Your Options Before Making a Decision.

A Plain-English Action Guide for Georgia Homeowners
Version 1.0 | Educational Resource | November 25, 2026

Falling behind on mortgage payments is stressful, but you have legal rights and practical options. Foreclosure is a contractual challenge with structured solutions—not a personal failure. In Georgia, foreclosure moves quickly under state law, but lenders generally prefer a workout solution over repossessing a house. Free HUD-approved housing counseling is recommended at any stage of mortgage difficulty. If a foreclosure sale date has already been scheduled, seek immediate legal assistance. This guide cuts through confusion so you can take clear, practical steps right now.

How Georgia Foreclosure Works (And Why Time Matters)

Georgia is primarily a **non-judicial foreclosure** state. Your security deed contains a "Power of Sale" clause allowing the lender to auction your property upon default without filing a court lawsuit.

- **120-Day Rule:** Under federal rules (CFPB Regulation X, 12 C.F.R. § 1024.41), mortgage servicers—**including small servicers**—generally cannot make the first legal foreclosure notice or filing until your loan is more than 120 days delinquent. This restriction applies to covered consumer mortgages (not HELOCs, reverse mortgages, or business loans). *Exceptions to the 120-day rule apply* if foreclosure is based on a due-on-sale clause violation or if the servicer is joining a foreclosure action filed by a senior or subordinate lienholder.
- **30-Day Notice of Intent to Foreclose:** Georgia law (O.C.G.A. § 44-14-162.2) requires written notice via certified, registered, or statutory overnight mail at least 30 days before auction. Failing or refusing to sign for certified mail does not stop or invalidate this notice.
- **4 Weeks of Newspaper Ads:** The sale must be advertised in the county legal organ newspaper once a week for four consecutive calendar weeks (O.C.G.A. § 44-14-162).
- **Courthouse Steps Auction:** Public auctions occur on the **first Tuesday of the month** (10:00 a.m. to 4:00 p.m.) at the county courthouse. *(If the first Tuesday falls on New Year's Day or July 4th, the sale occurs on the following Wednesday under O.C.G.A. § 9-13-161(a)).*

Immediate Action Checklist

1. **Confirm Foreclosure Status:** Review all mail and legal notices to see if a 30-day notice was sent and if an auction date is scheduled.
2. **Contact Your Servicer:** Call Loss Mitigation. Request written **Reinstatement** and **Payoff Quotes**, and ask for a complete Mortgage Assistance Application package.

3. **Seek Independent Help Immediately:** Free HUD-approved housing counseling is recommended at any stage of mortgage difficulty. If a foreclosure auction is scheduled, seek immediate legal assistance from a legal aid organization or a qualified attorney.
4. **Gather Financial Records:** Assemble loan papers, recent mortgage statements, two months of paystubs, two years of tax returns, bank statements, and a basic budget.
5. **Request and Obtain Written Confirmations:** If postponement is discussed, obtain written confirmation directly from the servicer or foreclosure counsel. Verbal statements do not stop an auction.

Servicer Call Script & Questions to Ask

> *"Hello, my name is [Your Name], loan number [Loan Number]. I am experiencing financial difficulty and want to explore all loss mitigation options to avoid foreclosure. Please transfer me to Loss Mitigation."*

Five questions to ask:

1. Is an auction date currently scheduled? If so, what is the exact date?
2. What workout options (repayment, deferral, forbearance, modification) am I eligible for?
3. What is the deadline to submit a complete application to pause foreclosure activity?
4. Can you email me a complete Mortgage Assistance Application today?
5. Can you send an official written Reinstatement Quote and Payoff Quote?

Options to Keep Your Home

- **Reinstatement:** Paying all past-due amounts, allowable late fees, and legal costs in one lump sum to bring the loan current.
- **Repayment Plan:** Paying regular monthly payments plus an agreed extra amount over several months until arrears are paid.
- **Payment Deferral:** Moving past-due amounts to the end of the loan as a non-interest-bearing balance due at payoff, sale, or maturity, letting you resume regular payments immediately.
- **Forbearance:** Temporarily pausing or reducing payments during an emergency. Missed payments are not forgiven and must be resolved later.
- **Loan Modification:** Permanently restructuring loan terms (interest rate, term extension, or adding arrears to principal). Evaluation rules and trial payment plans vary by investor.
- **FHA Options:** Eligible FHA borrowers may qualify for an interest-free **Standalone Partial Claim** or a **Payment Supplement** (temporary monthly payment relief for three years).

- **Chapter 13 Bankruptcy:** Triggers the federal "Automatic Stay" (11 U.S.C. § 362), which can temporarily halt a foreclosure auction and allow debtors with regular income to propose a court plan to cure arrears over 3 to 5 years. *Important qualifications and exceptions apply:* the automatic stay may be limited or unavailable if you had prior bankruptcy dismissals within the past year, and lenders can petition the court for relief from the stay. Bankruptcy does not guarantee you can keep the home, and homeowners should consult a qualified bankruptcy attorney.

Application Timing & Protections: Under 12 C.F.R. § 1024.41, if you submit a complete loss mitigation application **more than 37 days before a scheduled foreclosure sale**, the servicer generally cannot conduct a foreclosure auction while evaluating your application. These protections depend on regulatory applicability (exemptions apply for small servicers, certain non-covered loans, or repeat applications where delinquency was not subsequently cured) and individual circumstances. Submitting an application does not automatically stop foreclosure. If an application is submitted 37 days or fewer before a scheduled sale, automatic legal stay protections under federal servicing regulations do not apply. However, **other protections may still apply**—including loan servicer or investor loss mitigation policies, loan reinstatement rights, error resolution procedures, or rights under other federal or state consumer protection laws. Missing this deadline narrows automatic regulatory protections, but does not eliminate all remaining options to resolve the default.

Options to Sell Your Property

- **Traditional Sale:** Listing on the MLS with a licensed agent. Broker commissions are negotiable, and homes can be sold "as-is" to cash or retail buyers. Requires sufficient equity to pay off liens and closing costs.
- **Direct As-Is Sale:** Selling directly to a private property buyer without showings or repairs. Depending on financing, title clearance, property condition, and terms, either a direct or open-market sale may offer a faster closing. Direct sales do not eliminate all transaction costs or guarantee closing, foreclosure prevention, or credit protection. Compare actual net proceeds, costs, risks, contingencies, and closing dates.
- **Pre-Approved Short Sale:** Selling for less than the loan balance with servicer pre-approval. Debt forgiveness is **not guaranteed** unless you obtain an **express written waiver of deficiency** in the servicer's written approval agreement.
- **Deed in Lieu of Foreclosure:** Voluntarily conveying property title to the mortgage holder to avoid foreclosure. Eligibility criteria vary by servicer and investor, and debt forgiveness is **not guaranteed**. The property must typically be free of secondary liens, and you must obtain an **express written waiver of deficiency** to be released from personal debt liability. Independent legal review is strongly recommended before signing.

Important: A signed purchase contract alone does not stop foreclosure. The sale must close and payoff clear, or the servicer must postpone the auction in writing.

Five Costly Mistakes to Avoid

1. **Dodging Certified Mail:** Refusing certified letters does not invalidate statutory Georgia foreclosure notices.
2. **Paying Upfront Fees for "Rescue" Scams:** Never pay private entities promising guaranteed loan modifications. Help from servicers and HUD-approved counselors is completely free. *(Note: Licensed attorneys may charge legitimate legal fees for legal representation).*
3. **Signing Over Property Title:** Deeding away your home does not relieve personal liability on the promissory note. Always seek independent legal counsel before transferring ownership or signing any deed.
4. **Moving Out Prematurely:** Do not abandon your home based on verbal statements or assumptions about foreclosure timing. Possessory rights and foreclosure timelines depend on individual legal circumstances. Always seek qualified legal advice before moving out or transferring property ownership.
5. **Waiting Until the Final Days:** Legal and administrative protections diminish rapidly as auction day approaches. Act immediately.

Potential Surplus Proceeds

If a property sells at auction for more than the total debt, late fees, and legal expenses, remaining funds constitute **surplus proceeds**. Former homeowners and valid junior lienholders may be entitled to claim these funds after all applicable debts, expenses, and valid claims are satisfied. Surplus funds are not guaranteed, and claim processes vary. If you believe surplus funds exist after a sale, contact the foreclosing attorney and seek independent legal guidance.

Verified Independent Assistance Directory

- **HUD Housing Counseling Directory:** Free government-approved counseling agencies. Call 1-800-569-4287 | answers.hud.gov/housingcounseling
- **Homeowner's HOPE™ Hotline:** Free, 24/7 counseling in English/Spanish. Call 1-888-995-HOPE (1-888-995-4673) | 995hope.org
- **Consumer Financial Protection Bureau (CFPB):** Federal rules and mortgage complaint filing. Call 1-855-411-2372 | consumerfinance.gov/mortgagehelp
- **Georgia Attorney General's Consumer Protection Division:** State consumer resources. Call 404-651-8600 (Atlanta) or 1-800-869-1123 (Statewide) | consumered.georgia.gov
- **Atlanta Legal Aid Society (Metro Atlanta):** Free legal assistance for qualifying residents in Clayton (404-669-0233), DeKalb (404-377-0701), Fulton (404-524-5811), Cobb (770-528-2565), and Gwinnett (678-376-4545) | atlantalegalaid.org
- **Georgia Legal Services Program (GLSP):** Counties outside metro Atlanta. Statewide Intake: **833-457-7529** | glsp.org
- **State Bar of Georgia:** Public attorney directory search. Call 404-527-8700 | gabar.reliaguide.com

An Optional Next Step: The HOUSE Seller Options Review

If you decide selling is best, The House Squad offers a free, confidential **HOUSE Seller Options Review** (Hear situation, Outline options, Understand numbers, Select strategy, Execute plan).

Transparent Business Disclosure: The House Squad is a private real estate acquisition and advisory firm. If you choose a transaction involving our business, we may earn a profit from a direct purchase and resale or a commission from real estate brokerage services. We do not provide legal, tax, or mortgage counseling services, and we never guarantee financial outcomes. This consultation is entirely voluntary—this guide is yours to use freely whether you contact us or not.

Educational Information & Business Disclosure

The information provided by The House Squad is for general educational purposes only and is not intended as legal, tax, financial or mortgage counseling advice.

Laws, regulations, eligibility requirements and individual circumstances vary. Homeowners should independently verify applicable information and seek guidance from qualified professionals when appropriate.

The House Squad is a private real estate business, not a government agency, mortgage servicer, law firm or housing counseling agency. We may earn an investment profit or real estate commission from transactions involving our business.

We do not guarantee foreclosure prevention, debt forgiveness or financial outcomes.

Our educational resources are freely available without any obligation to do business with us.