

# Foreclosure

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If you're buying a home and you miss a payment, you could lose your home through a process called foreclosure. Learn about the foreclosure process and where to get free help from a lawyer or a housing counselor.

Get help right away. Contact the Washington Homeownership Resource Center (<https://www.homeownership-wa.org/services/foreclosure-prevention/>) 1-877-8994-4663 or another HUD approved housing counselor (<https://www.hudexchange.info/programs/housing-counseling/>). Their services are free.

You may also qualify for free legal help from the Northwest Justice Project's Foreclosure Prevention Unit (<https://nwjustice.org/specialized-units#4>) at 1-800-606-4819.

## **What is foreclosure?**

If you're buying a home and you fall behind on payments (you **default** on your payments), the company that lent you the money to buy it (the **lender**) may try to take your house back. The process the lender must go through to get your house back is generally called **foreclosure**.

( )In Washington State, most foreclosures don't go through a court process before the lender can take back the home. We call those **non-judicial foreclosures**. If you financed the purchase of your home with a document called a **Deed of Trust**, the lender can foreclose on your home without going to court if you miss even one payment.

( )If you financed the home with a **mortgage** and you stop making payments, the lender must file a court action to foreclose on the home. We call this a **judicial foreclosure**.

It might be hard to know which way you financed your home. If you're at risk of losing your home, try to talk to a lawyer at the Northwest Justice Project Foreclosure Prevention Unit right away.

#### **Tips on how to handle foreclosure:**

- Open, read, and keep all letters and documents from your servicer (the company handling your payments for the lender), including envelopes.
- If you can, whenever you talk to the servicer, take detailed notes, including the date and time, and the name of the person you're speaking with.
- Carefully store and organize documents regarding your income and expenses.
- Don't sign over your deed to someone who promises to give it back later.
- Don't give anyone direct access to your credit card or bank account.

- Don't pay a large fee up front to someone who promises to modify your loan.

### **Can “foreclosure rescue” or “home loan modification” services help me if I’m facing foreclosure?**

You should just try to talk right away with a housing counselor or a lawyer. Dishonest people and businesses take advantage of homeowners facing foreclosure. Many who advertise “foreclosure rescue” or “home loan modification” services may take your money and let your home go into foreclosure anyway, or charge for services that you can get for free.

Contact the Washington Homeownership Resource Center (<https://www.homeownership-wa.org/services/foreclosure-prevention/>) a 1-877-894-4663 or another HUD approved housing counselor (<https://www.hudexchange.info/programs/housing-counseling/>). Their services are free.

### **Can I lose my home right away after missing a payment?**

No, but you must act right away to figure out if you can avoid foreclosure. The sooner you talk to a housing counselor or a lawyer, the sooner you may get expert help to

- Review your records and your financial situation
- Figure out possible options to save your home or your credit
- Submit the right paperwork to your servicer
- Communicate with you and your servicer
- Ask for mediation (<https://dfi.wa.gov/washington-foreclosure-mediation-program>) to try to work out a solution with the servicer. Starting in 2026, condominium and co-op owners facing foreclosure by their homeowners

association can also ask for mediation.

### **I can't afford the home anymore. Should I just move out anyway?**

#### **Don't move out before first talking to a housing counselor or attorney.**

You could have a legal defense against the foreclosure. Even if you don't, you might be able to reduce how much you owe the lender. A housing counselor (<https://www.homeownership-wa.org/services/foreclosure-prevention/#1609175727-2-63>) or a lawyer (<https://nwjustice.org/specialized-units#4>) may help you figure out your options.

No matter whether you're facing judicial or non-judicial foreclosure, the process still takes longer than an eviction. If you're facing a nonjudicial foreclosure, and the lender will agree to mediation (<https://dfi.wa.gov/washington-foreclosure-mediation-program>), this may buy you more time to remain in the home. If you're facing a judicial foreclosure, you might have 8 months to a year to remain in the home.

### **Should I just sell my home myself and cut my losses?**

A housing counselor or attorney can advise you if this is a good idea. In a few cases, if the house sells for more than you owe the lender, you may even receive some money from the sale.

### **I waited too long to do anything, and the lender is going to sell the home. Do I have any rights?**

If the sale hasn't happened yet, there's a small chance that you could get a judge to stop the sale from going forward. Talk to a lawyer right away.

**(If you're going through a judicial foreclosure**, you may stay in the home for 8 months to a year if you claim a homestead exemption. The homestead

exemption is the equity value in your home that you can protect from creditors.

The homestead exemption amount is the greater of (a) \$125,000; or (b) the county median sale price of a single-family home in the preceding calendar year (<https://wcrer.be.uw.edu/housing-market-data-toolkit/annual-median-price/>).

**Equity** is the amount of money you would keep after you sold your home and paid off the mortgage and other liens.

**If the sale has already happened after a non-judicial foreclosure**, you must move out within **20 days** or you may get eviction papers from the new owner. But if the new buyer paid more than you owed on the mortgage, you may be entitled to the extra money (called surplus funds).

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