



LILIANA TORIJA

Your Realtor Pro

SE HABLA ESPAÑOL

FREE GUIDE · NYC HOMEOWNERS

Behind on your mortgage? Know your options before the auction.

A plain-language guide for New York City homeowners: the court steps and deadlines, the City liens and violations that can hold up a sale, an equity worksheet, how to spot rescue scams, and where to get free help.

STATEN ISLAND · BROOKLYN · QUEENS · THE BRONX

INSIDE

1. Start here: your first 7 days
2. How a NY foreclosure moves through court
3. Your options, and who to ask about each
4. NYC liens and violations that can block a sale
5. Equity worksheet + what happens at an auction
6. How to spot a rescue scam
7. Free help + how I can help

You are not alone, and you have more time and more rights than most people think. Free, qualified help is available.

Cover image: AI-generated illustration (not a real property).

STEP 1

Start here: your first 7 days

Foreclosure in New York goes through the courts and usually takes time. What you do in the first days matters most. As your notice from the lender says: *"The longer you wait, the fewer options you may have."*

— DO THIS WEEK

- 1 Open every envelope.** Keep letters from your lender, the court and the City in one folder, with the date you got each one.
- 2 Call free, qualified help.** A HUD-approved housing counselor (800-569-4287) or NY's Homeowner Protection Program, HOPP (855-466-3456). In NYC you can also call the Center for New York Homeownership (646-786-0888) or 311.
- 3 Call your loan servicer.** Ask how much it takes to get current, and what options they review. Write down the name, date and what they said. Ask for everything in writing.
- 4 Got court papers? Mark the deadline.** You have 20 days to answer if they were handed to you, 30 days if served another way. Talk to an attorney right away.
- 5 Check your property's City records.** Open violations and tickets can hold up a sale or refinance. Free: lilianatorija-propertycheck.netlify.app
- 6 Pay no one upfront and never sign over your deed.** See the scam page before you sign anything.

— YOUR RIGHTS IN NEW YORK

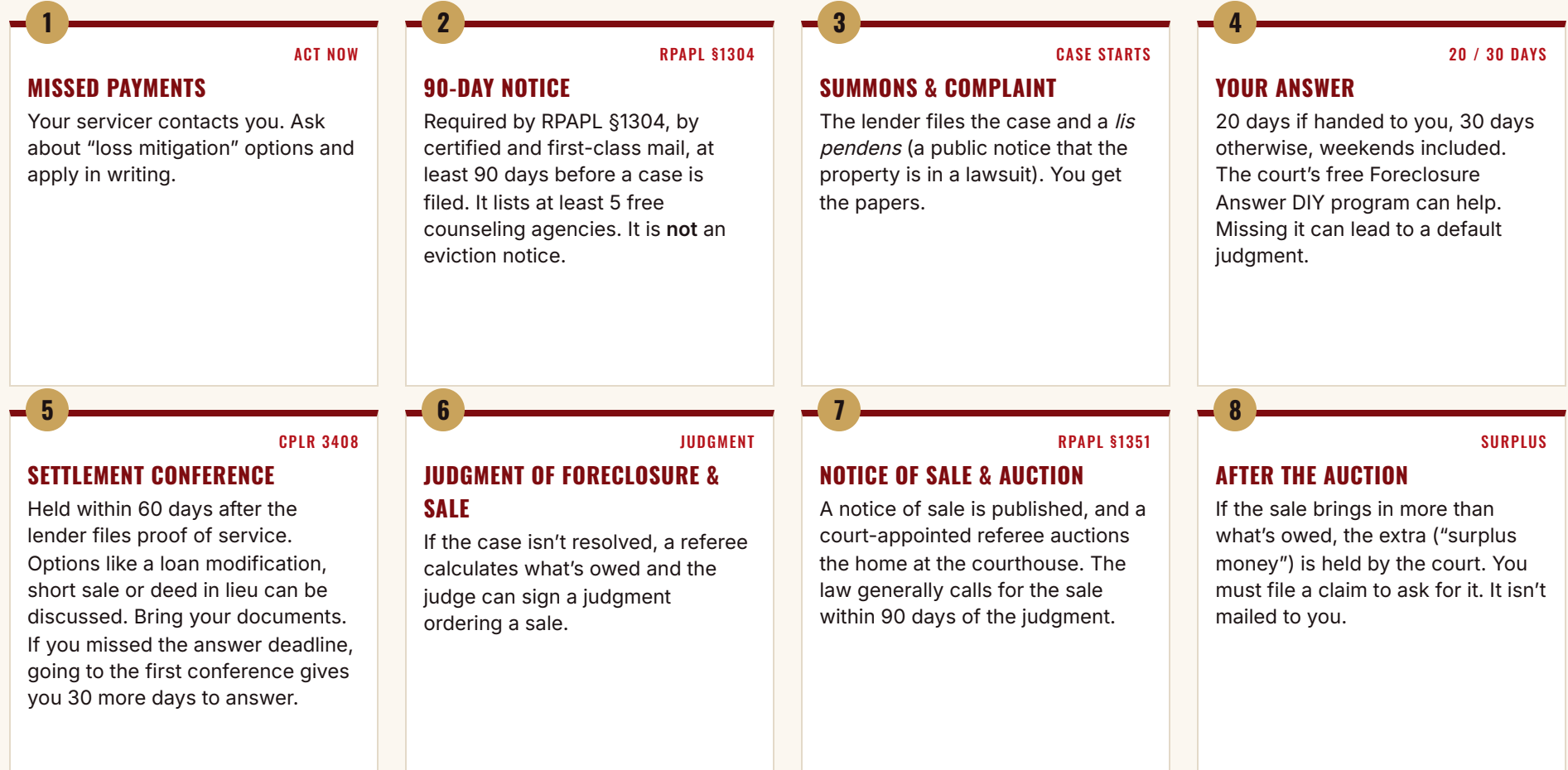
- ◆ You can stay in your home until a court orders you to leave, and you are still the owner until the property is sold.
- ◆ Your lender must send you a notice at least 90 days before it starts a foreclosure case.
- ◆ You can pay the loan in full, or reach a settlement with the lender, at any time before the sale.
- ◆ You have the right to a lawyer, and you may qualify for free legal help or housing counseling.
- ◆ If it's your home (1–4 family) and you live there, the court holds a settlement conference.
- ◆ If you send the servicer a complete loss-mitigation application, it must finish reviewing it before going ahead with a foreclosure case.

Don't move out early. The courts warn that leaving can let the lender treat the home as vacant and abandoned and ask for a faster foreclosure.

STEP 2

How a NY foreclosure moves through court

New York foreclosures on homes go through the State Supreme Court in your county: Richmond (Staten Island), Kings (Brooklyn), Queens or Bronx. Here is the usual path. Times vary by case and court.



Even if you go to the settlement conference, you still need to file an answer. If you don’t answer, the court won’t consider your defenses, and you may stop getting notices about your case.

STEP 3

Your options, and who to ask about each

Every situation is different, and the lender decides what it will approve. Use this table to ask the right person the right question. Nothing here is guaranteed.

OPTION	WHAT IT MEANS	WHO TO ASK	KEEP THE HOME?
Reinstatement	Pay everything past due, plus fees, to bring the loan current.	Your servicer · HUD-approved counselor	Yes
Repayment plan / forbearance	Spread missed payments over time, or pause or lower payments for a while.	Your servicer · HUD-approved counselor	Yes, if completed
Loan modification	The lender permanently changes the loan terms (rate, length or balance).	Ask your servicer, a HUD-approved counselor or your attorney. I don't arrange or negotiate loan modifications.	Yes, if approved
Refinance or family help	A new loan or outside money pays off what's past due.	A licensed lender · counselor · attorney	Yes
Traditional sale	Sell at market value, pay off the loan and liens at closing, and keep any money left.	A licensed real estate salesperson (that's me) together with your attorney	No, but you keep your equity
Short sale	Sell for less than what's owed, only if the lender approves. The lender decides the terms.	Your attorney and the lender. I can list the home and coordinate the sale with your attorney. Ask a CPA about taxes.	No
Deed in lieu	You give the home back to the lender, if it agrees, instead of going to auction.	Your attorney · your servicer	No
Bankruptcy	Can temporarily pause collection, including a foreclosure (the "automatic stay"). It has serious long-term effects.	A bankruptcy attorney only	Depends

Ask a CPA before any short sale or deed in lieu. Forgiven mortgage debt can count as taxable income. The federal tax break for forgiven debt on a main home ended for debt forgiven after Dec. 31, 2025, unless the arrangement was in writing before Jan. 1, 2026 (IRS Publication 4681). Rules can change, so check with a CPA.

NYC ONLY

City liens and violations that can block a sale

In New York City, the mortgage isn't the only thing that can cost you your home or hold up a sale. These City debts and records show up in a title search and must usually be paid or cleared at closing.

PROPERTY TAX LIEN SALE

If taxes and some City charges go unpaid, the City can sell the debt (the "lien") to an outside buyer. Warning notices come 90, 60, 30 and 10 days before the sale. After a sale, the lienholder adds a 5% surcharge plus interest and can start its own foreclosure. **Ask Finance about** payment plans (1–10 years), PT AID, exemptions (SCHE, DHE, veterans) and the Lien Sale Easy Exit program. Call 311.

WATER & SEWER (DEP)

Unpaid water and sewer charges can be included in the lien sale. The rules differ by home type, and owner-occupied one-family homes are treated differently. Check your DEP account and ask about payment plans.

HPD EMERGENCY REPAIR CHARGES

If HPD makes an emergency repair, the cost goes on your property tax account with Finance. Unpaid, it becomes a tax lien that adds interest and can be sold.

CHECK YOUR ADDRESS FREE



**lilianatorija-
propertycheck.netlify.app**

See open HPD and DOB violations, OATH/sanitation tickets, permits and 311 complaints from official City records, in English or Spanish. No sign-up.

Property Check doesn't show taxes, water charges or liens. Ask Finance, DEP or your attorney for payoff amounts.

ECB / OATH JUDGMENTS

Unpaid penalties from City tickets (DOB, Sanitation, FDNY and more) become judgments that Finance collects. Some unpaid DOB judgments can be turned into property tax liens.

OPEN DOB & HPD VIOLATIONS

Open violations appear in title searches and can delay or derail a closing or refinance. Many can be cleared with proof of correction. See my free guide *Open Violations? What to Do Before You Sell*.

DEED THEFT ALERTS (FREE)

Sign up for the City's free ACRIS *Notice of Recorded Document* service to get an alert when any deed or mortgage is recorded on your property.

STEP 4

Equity worksheet + what happens at an auction

Your equity is what may be left for you after everything is paid. Fill this in with real numbers from written payoff letters and statements. Your attorney can help with closing costs.

A	Estimated sale price (ask for a free market analysis)	\$
B	Mortgage payoff, including arrears and fees (ask your servicer for a written payoff letter)	\$
C	Second mortgage, HELOC or other loans on the property	\$
D	City charges: property tax, water/sewer, HPD charges, ECB/OATH judgments	\$
E	Other liens or judgments against you	\$
F	Closing costs: commission, transfer taxes, attorney, title (estimate with your attorney)	\$
Estimated equity = A - (B + C + D + E + F)		\$

— SELLING BEFORE THE AUCTION VS. AT THE AUCTION

	SELL BEFORE THE AUCTION	AUCTION
Who sets the price	You do, with your agent, based on the market and buyer offers.	Bidders at the courthouse auction. You have no say in the price.
Timing	You choose the listing and closing dates, within the court case.	Set by the court and the referee.
Your money	Paid to you at closing after the loan, liens and costs are paid.	Any surplus is held by the court. You must file a claim, and other creditors can claim it too.
Your credit	A sale pays the loan in full. Ask a counselor how it will be reported.	A completed foreclosure is reported on your credit. Ask a counselor about the effect.

If you have equity, selling before the auction may let you keep more of it. Talk to your attorney and a HUD-approved counselor before deciding.

How to ask for surplus money. After an auction, any money left over after the debt and costs is held under the court's control. It is not sent to you automatically. To ask for it, you file a Notice of Claim and a motion in your foreclosure case (court forms: nycourts.gov/forms/foreclosure). Liens and judgment creditors are usually paid first. Court staff can explain filing steps but can't give legal advice, so ask an attorney or a free legal services group. Read any "surplus recovery" company's contract with your attorney before signing.

PROTECT YOURSELF

How to spot a foreclosure rescue scam

Scammers look for homeowners in foreclosure through public court records. They promise to “fix” your mortgage, then take your money, your equity or even your deed.

— RED FLAGS

- ✗ They want money before doing the work, including “escrow”.
- ✗ They tell you to stop paying your lender and pay them instead.
- ✗ They ask you to sign over your deed, even “temporarily”, or to sell and rent it back.
- ✗ They want a power of attorney or your original loan papers.
- ✗ They guarantee results, or pressure you to sign today.
- ✗ They tell you not to talk to your lender, a lawyer or a counselor.

Never sign over your deed. Signing over the deed means you no longer own your home, and you may still owe the mortgage. If anyone asks you to sign a deed, a “lease-back” or a power of attorney, show it to your own attorney first. NY’s Home Equity Theft Prevention Act (RPL §265-a) adds protections when someone buys a home in foreclosure.

— YOUR PROTECTIONS UNDER NY LAW (RPL §265-B)

- ◆ A distressed property consultant must give you a full written contract in your language, signed and notarized.
- ◆ They **cannot take any money until every promised service is finished**, not even into escrow.
- ◆ They cannot take a power of attorney from you or keep your original documents.
- ◆ You can cancel, without penalty, until midnight of the 5th business day after signing.
- ◆ Housing counselors approved by HUD or the NYS Department of Financial Services may provide the same or similar services **for free**.

Report a scam

NY Attorney General: 1-800-771-7755 · NYS Department of Financial Services Consumer Hotline: 1-800-342-3736

GET HELP

Free help + how I can help

— FREE, QUALIFIED HELP

HUD-approved housing counselors	800-569-4287	hud.gov/findacounselor
NY Homeowner Protection Program (HOPP)	855-466-3456	homeownerhelpny.org
Center for NY Homeownership (formerly Center for NYC Neighborhoods)	646-786-0888	cnyh.org · or call 311
HOPE NOW (24 hours)	888-995-4673	hopenow.com
NYS Bar lawyer referral	800-342-3661	nysba.org
Free legal help directory		lawhelpny.org
NY CourtHelp + court Help Centers		nycourts.gov/courthelp
Surplus money forms		nycourts.gov/forms/foreclosure

— HOW I CAN HELP

- ◆ A free look at your property's City records and a free market value analysis, so you know your numbers.
- ◆ If selling is the right path for you, I can list and market your home and coordinate a traditional sale or a short sale together with your attorney.
- ◆ Spotting City liens and open violations early, before they hold up a closing.
- ◆ English or Spanish, whatever is easiest for you.

What I don't do: I'm not an attorney, housing counselor or lender. I don't give legal advice, I don't arrange or negotiate loan modifications, and I never charge homeowners an upfront fee. Any commission is set in a written listing agreement and paid only at closing.



TALK TO ME, NO PRESSURE

Call, text or WhatsApp my cell: **929-431-3367**

Liliana Torija Benavides, Licensed Real Estate Salesperson · Matias Real Estate · 418 Port Richmond Ave, Staten Island, NY 10302 · Office 347-861-7812 · Cell 929-431-3367

Equal Housing Opportunity · [NY Fair Housing Notice](#) · [Matias Standard Operating Procedure for Homebuyers](#) · matiasrealestatenyc.com



Disclaimer: I'm a Licensed Real Estate Salesperson, not an attorney, accountant, housing counselor or lender. This guide is general and educational only and is not legal, tax or financial advice. Every situation is different. Please consult a licensed New York attorney about your case, a CPA about taxes, and a HUD-approved housing counselor about your options before making any decisions. No result is guaranteed. Laws, phone numbers and programs can change; facts were checked against official sources on Oct 27, 2026. Housing counselors approved by HUD or the NYS Department of Financial Services may provide foreclosure-prevention services for free.

Main official sources: NY CourtHelp and court forms (nycourts.gov); RPAPL §§1304, 1351; CPLR 3408; RPL §265-b; NYS Dept. of Financial Services; NYS Attorney General; HUD; IRS Publication 4681; NYC Dept. of Finance, HPD, DEP and OATH. Full source list available on request.