

ADVANCED · LESSON 3 · 7 MIN READ

# Foreclosure Concepts

*How a lien is actually monetized — judicial vs. non-judicial sale, redemption, and deficiency.*

## OVERVIEW

A lien is leverage. Foreclosure is the conversion of that leverage into cash.

Foreclosure is rarely the goal. The threat of it usually moves the dispute to settlement.

## KEY CONCEPTS

- Judicial foreclosure (lawsuit + court-supervised sale)
- Non-judicial foreclosure (statutory power of sale)
- Redemption periods
- Deficiency judgments where allowed

## COMMON MISTAKES

- Filing suit without budgeting for the full timeline and cost.
- Failing to model what the property actually sells for after senior debt.

## PRACTICAL EXAMPLES

### PRESSURE TO SETTLE

A foreclosure complaint is filed. Within 30 days the debtor refinances and pays the lien in full to clear title. The case never reaches a sale.