

# Frequently Asked Questions about Foreclosures

## What is foreclosure?

- Foreclosure is a legal process in which the lender attempts to recover the balance of a loan from the borrower who has stopped making payments by forcing the sale of the home that has been used for collateral on the loan. Laws concerning foreclosure can be found in Title 38 of Colorado Revised Statutes, Article 37, 38, and 39. Statutes can be found online at: <http://www.lexisnexis.com/hottopics/colorado/>

## What is a Rule 120 hearing?

- This hearing determines if the lender has the right to foreclose on the property and have it sold at a public auction. The judge may cancel this hearing and sign the order “authorizing sale” if the borrower does not file an answer with the court or files the answer too late.

## How do I file an answer to a rule 120 (foreclosure sale)?

- The answer and any supporting documents must be filed with the Court and mailed to the Plaintiff(s) not less than 7 days prior to your hearing date. If you do not file an answer within this time frame, the Court may enter an order authorizing sale, even if you appear for the hearing. Once you file an answer, a contested rule 120 hearing will be set on another date.
- Instructions can be found online at: [http://www.courts.state.co.us/Forms/Forms\\_List.cfm?Form\\_Type\\_ID=197](http://www.courts.state.co.us/Forms/Forms_List.cfm?Form_Type_ID=197)

## What happens if I don't file an answer?

- It is in your best interest to file an answer. A case may proceed, even if you do not file an answer. This could result in your home being put up for public auction.

## I received a notice of foreclosure. Do I have to move out?

- You do not need to move out right away. If the Court authorizes the sale of your home, you will not need to move out until after it is sold.

## I have been out of work and have tried to work with my bank. Will the Judge take this into consideration?

- The Court's review of the case is very limited. The Court shall determine if there is reasonable probability that a default occurred and whether an order authorizing sale is proper. Based on this, the Court will grant or deny the motion authorizing sale.

## What resources are available to me during my foreclosure?

- a. The Colorado Foreclosure Hotline (877) 601-4673 (HOPE) may be able to assist you <http://www.coloradoforeclosurehotline.org/Home.aspx>.
- b. Colorado Legal Services has a section dedicated to foreclosures. Visit their website for further information. <http://www.coloradolegalservices.org/>
- c. If you feel you were defrauded by your mortgage broker, foreclosure rescue company or a loan modification firm, you can contact the Mortgage Fraud Information Center at the Colorado Attorney General's Office at 1-800-222-4500.
- d. Your local housing authority office may also be able to assist with counseling or rental assistance once you are evicted or may have available a foreclosure intervention program. <http://www.hud.gov/local/co/renting/haweb sites.cfm>