🏠 **CALIFORNIA HOMEOWNER FORECLOSURE GUIDE**

AB 2424 California: How the New Foreclosure Law Can Give You 45 Extra Days — and What to Do With Them

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About This Guide:

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If you are a California homeowner facing foreclosure, you may have a legal right you do not yet know about. A powerful new California law — **AB 2424**, which took effect on **January 1, 2025** — gives you the ability to delay a scheduled trustee sale by at least 45 days, simply by taking a specific, legally defined action before the sale date. For many homeowners, those 45 days are the difference between losing everything and finding a real path forward.

This guide explains exactly how AB 2424 works, who qualifies, what steps to take right now, and why pairing it with a licensed California real estate agent — like Mike Osterman at 45dayrelief.com — is the fastest and most effective way to protect yourself. Read every section. Then call **(800) 224-6962**.

> ⚠ **WARNING: This law only works BEFORE the trustee sale. Once your property is sold at auction, no law — including AB 2424 — can reverse it. If you have received a Notice of Trustee Sale, every single day matters. Do not wait.**

What Is AB 2424? California's 2025 Foreclosure Protection Law Explained

> *AB 2424 is the most significant foreclosure protection law California has passed in years. Here is what it means in plain English — and why it matters to you.*

AB 2424 is a California law, signed by Governor Gavin Newsom, that took effect on **January 1, 2025**. It amends **California Civil Code Section 2924g** — the section of law governing the postponement of trustee's sales (foreclosure auctions). At its core, AB 2424 gives a homeowner facing foreclosure a legally enforceable right to delay the trustee sale by at least 45 days, provided specific conditions are met.

The key mechanism is straightforward: if a homeowner signs a valid listing agreement with a licensed California real estate broker and delivers it to the trustee — via certified mail or tracked overnight courier — **at least 5 business days before the scheduled sale**, the trustee is legally required to postpone the sale for a minimum of 45 days. This is not a request. It is not up to the lender's discretion. It is a legal mandate.

Why Did California Create AB 2424?

The California legislature recognized that many homeowners lose their homes to foreclosure not because they have no options, but because they run out of time to pursue them. A trustee sale can happen with little practical warning. By creating a mandatory postponement triggered by a listing agreement, AB 2424 gives homeowners — who are willing to actively engage with the process — a meaningful window to explore alternatives: a short sale, a loan modification, reinstatement, or even a buyer-funded payoff. The goal is to prevent needless foreclosure losses for homeowners and reduce the trauma of sudden displacement.

Who AB 2424 applies to: California homeowners with **residential properties** in **non-judicial foreclosure** — the most common form of foreclosure in California, which proceeds through a trustee (not a court). Commercial properties are explicitly excluded.

How the 45-Day Postponement Works Under AB 2424

> *The mechanics of AB 2424 are specific and unforgiving. Getting each step right — especially timing and delivery — is essential. Here is exactly how it works.*

Step 1

Find your Notice of Trustee Sale and confirm the scheduled sale date. This document will have been recorded and mailed to you. It contains the exact date and time of the planned trustee auction. This date is your clock. Write it down immediately.

Step 2

Count backward 5 business days from the scheduled sale date. That is your AB 2424 deadline — the last possible date on which the listing agreement can be received by the trustee and still legally trigger the postponement. Note: "business days" excludes weekends and California state holidays. Do not cut it close. Earlier is always better.

Step 3

Contact a licensed California real estate agent and sign a valid MLS listing agreement. The agreement must be with a California licensed real estate broker and must be for a property that will be placed in a publicly available MLS (Multiple Listing Service). This is not a generic document — it must meet the legal requirements of AB 2424. Mike Osterman at 45dayrelief.com (DRE#02213966) specializes in exactly this process.

Step 4

Deliver the listing agreement to the trustee via certified mail (USPS) or overnight courier with tracking and signature confirmation. This is non-negotiable. The law is explicit: **email does not qualify. Fax does not qualify.** Only certified mail or a tracked overnight courier with signature confirmation satisfies the legal delivery requirement. The trustee must receive it at least 5 business days before the scheduled sale date.

Step 5

The trustee is legally required to postpone the sale for at least 45 days. Once valid delivery is confirmed, the postponement is mandatory. This gives you and your agent a protected window to work.

Step 6

During the 45-day window, your agent actively markets your home. Mike will list the property on the MLS, market it to buyers, and work in parallel to help you explore every available option — short sale, loan modification, reinstatement, deed in lieu, or other alternatives tailored to your financial situation.

⚠ Time-Sensitive Warning: AB 2424 only works BEFORE the trustee sale. Once the sale happens, this law cannot help you. If you have a Notice of Trustee Sale in hand, call (800) 224-6962 right now. Same-day response. Free consultation.

The Second Postponement: The Purchase Agreement Provision

If the sale date has already been postponed under the AB 2424 listing agreement provision, and your agent has successfully found a buyer, the law provides a second lifeline. If the trustee receives a **fully executed purchase agreement** at least **5 business days before** the new (postponed) sale date, the trustee must postpone again for at least **45 more days** from the date the purchase agreement was received. This gives you and your agent the time needed to close the transaction — whether as a standard sale or a short sale requiring lender approval.

> **Important:** The listing agreement postponement can only be used **ONCE** per foreclosure proceeding. The purchase agreement postponement is separate and may be triggered once a valid purchase agreement is in hand. Together, these two provisions can give you 90+ days of protected time to resolve your situation.

The 67% Rule: How AB 2424 Also Protects You at the Auction

> *Even if you are unable to invoke the listing agreement postponement in time, AB 2424 provides another layer of protection — this time at the auction itself.*

AB 2424 introduces a critical protection called the **67% Fair Market Value Rule**. Here is how it works:

- The lender (beneficiary) must provide the **fair market value (FMV)** of your property to the trustee at least **10 days before** the initially scheduled trustee sale.
- At the initial trustee's sale, the trustee **cannot accept a winning bid for less than 67% of that fair market value.** This is a legally enforceable floor on the auction price.
- This prevents your home from being sold for a fraction of its actual worth — a scenario that historically devastated homeowners, who could still owe a deficiency after the sale.

What Happens If No One Bids at 67% FMV?

If the initial auction produces no qualifying bid at or above 67% of fair market value, the trustee must postpone the sale for **at least 7 additional days**. After that 7-day period, the property may be sold to the highest bidder — without the 67% minimum price floor. This means the auction opens up to any price once the initial sale attempt has failed.

Why This Matters for You as a Homeowner

Without the 67% floor, lenders and their trustees historically had little incentive to ensure homes sold at or near market value — leaving homeowners with maximum financial damage and minimum recovery. The 67% rule means that on the first auction attempt, your home is protected from extreme low-ball bids. It also creates additional time pressure that may motivate lenders to accept a short sale rather than risk an unsuccessful auction.

> **Bottom Line:** The 67% rule works in your favor even if you missed the listing agreement window. It limits how badly the auction can go at first attempt — and may give you leverage to negotiate with the lender on a short sale or other alternative.

What California Homeowners Should Do Right Now (Step-by-Step)

If you have received a Notice of Trustee Sale, this is your action plan. Do not delay. Follow these steps as quickly as possible.

1. **Find your Notice of Trustee Sale immediately.** Locate the document — it may have been mailed to you and/or posted on your property. Identify the exact scheduled sale date and time. This is your most important number.
2. **Count backward 5 business days from the sale date.** This is your hard deadline for the trustee to receive the listing agreement. If that date is days away — or even today — call immediately.
3. **Call 45 Day Relief at (800) 224-6962.** Mike Osterman will review your situation in a free, confidential consultation. He will confirm whether AB 2424 applies, assess your options, and outline the fastest path forward. Same-day response for urgent cases.
4. **Sign a valid AB 2424 listing agreement.** Mike will prepare a compliant MLS listing agreement that meets all legal requirements under AB 2424. You will review and sign it — quickly.
5. **Mike delivers the listing agreement to the trustee.** Mike handles the certified mail or tracked overnight courier delivery, ensuring full legal compliance. He will confirm receipt and document the delivery chain for your protection.
6. **Receive your 45-day postponement.** By law, the trustee must postpone the sale. You now have a legally protected window of at least 45 days.
7. **Evaluate all your options with Mike.** During the 45-day window, your choices include: short sale, reinstatement (bringing the loan current), loan modification, deed in lieu of foreclosure, or a traditional sale if equity exists. Mike will help you understand each option and which makes the most sense for your situation.

8. **If a buyer is found, execute a purchase agreement.** If Mike secures a qualified buyer, the executed purchase agreement — delivered to the trustee at least 5 business days before the new sale date — triggers an additional 45-day postponement, giving you and the buyer time to close the transaction.

Who Qualifies for AB 2424 Protection?

Not every homeowner in foreclosure qualifies for AB 2424. Here is a clear breakdown of the eligibility criteria.

✅ **You May Qualify If:**

- You are the homeowner (mortgagor or trustor) of a **California residential property**
- Your property is in **non-judicial foreclosure** — the most common type in California, which uses a trustee rather than a court
- You have received a **Notice of Trustee Sale**

- The scheduled trustee sale is **at least 5 business days away** (so the listing agreement can be timely delivered)
- You have **not previously used** the AB 2424 listing agreement postponement on this property in this foreclosure proceeding

❌ **AB 2424 Does NOT Apply If:**

- The property is a **commercial property** — AB 2424 is residential only
- You have **already used the listing agreement postponement once** on this foreclosure (though the purchase agreement provision may still be available)
- The **trustee sale has already occurred** — once the property is sold, this law cannot help
- Your foreclosure is a **judicial foreclosure** (rare in California, but they do occur)
- The 5 business day delivery deadline has already passed

Not sure if you qualify? Call Mike at (800) 224-6962 or email mike@45dayrelief.com for a free, no-obligation review of your specific situation. Every foreclosure is different — do not assume you are out of options without checking.

AB 2424 vs. Other Ways to Avoid Foreclosure in California

AB 2424 is a powerful tool — but it works best as a bridge to another solution, not as a destination in itself. Here is how it compares to other common foreclosure alternatives.

Option	What It Is	Time Required	Credit Impact	Best For
Short Sale	Sell the home for less than owed; lender agrees to accept the proceeds as full or partial payoff	30–90 days (lender approval required)	Moderate — significantly less damaging than a completed foreclosure	Homeowners with limited or no equity who want to minimize credit damage and potential deficiency
Loan Modification	Lender restructures the loan terms (lower rate, extended term, or principal reduction) to make payments affordable	60–180 days or more	Minimal if lender reports correctly; existing delinquency already affects credit	Homeowners with documented financial hardship who want to stay in the home and can demonstrate new ability to pay
Deed in Lieu of Foreclosure	Homeowner voluntarily transfers the property to the lender in exchange for forgiveness of the debt	30–90 days	Significant but typically better than a completed foreclosure	Homeowners who cannot sell and want to exit the property cleanly without going through the full foreclosure process
AB 2424 +	Use AB 2424	45–90 days	Best available	**Most**

Option	What It Is	Time Required	Credit Impact	Best For
Short Sale	to legally delay the trustee sale by 45+ days, then execute a short sale during the postponement window	with protected window	outcome — short sale is reported as more favorable than foreclosure	**homeowners with AB 2424 eligibility** — this combination creates the time needed to complete a short sale and avoid foreclosure entirely

The most powerful combination available under current California law is AB 2424 paired with a short sale. The listing agreement postponement creates the protected time window; the short sale provides the financial resolution. Mike Osterman specializes in executing exactly this strategy — and has the experience in both trustee sale navigation and short sale negotiation to move quickly once the clock starts.

Can a Family Member or Attorney Help? The Third-Party Notification Provision

AB 2424 includes a provision that many homeowners are not aware of — one that could prove life-changing if you are in crisis and need a trusted person in your corner.

Under AB 2424, California homeowners have the right to **designate a third party** — such as a family member, a HUD-certified housing counselor, or an attorney — to receive copies of the **Notice of Default** and the **Notice of Trustee Sale**. When a third party is designated, they receive these critical documents at the same time as the homeowner, giving them advance notice and the opportunity to step in and help.

Why This Matters

Foreclosure is one of the most stressful experiences a person can face. Many homeowners in distress become isolated — overwhelmed by the paperwork, the phone calls, and the emotional weight of the situation. Bills go unopened. Deadlines are missed. Options that could have saved the home are not pursued because the homeowner did not know about them in time.

The third-party notification provision is designed precisely for this scenario. If a trusted family member, attorney, or housing counselor is receiving the same notices you are, they have the information they need to reach out, encourage action, and help you connect with resources like 45dayrelief.com — potentially in time to invoke AB 2424 or another protective measure.

How to Designate a Third Party

To designate a third party to receive foreclosure notices, you must **record a written request with the county recorder's office** in the county where your property is located. The request should include your name and property information, the name and contact information of the third party you are designating, and a statement requesting that they receive copies of foreclosure-related notices. Once recorded, the trustee and lender are required to include your designated third party in their mailing for the Notice of Default and Notice of Trustee Sale.

> **Tip:** If you have not yet designated a third party — and you trust a family member, attorney, or housing counselor — consider doing so now. HUD-certified housing counselors are available at no cost and can provide valuable guidance alongside a Realtor like Mike Osterman. Find local HUD-approved counselors at **hud.gov**.

AB 2424 FAQs — Your Questions Answered

These are the questions Mike hears most often from California homeowners facing foreclosure. Read through all of them — your situation may be addressed here.

How many times can I use AB 2424 to postpone my trustee sale?

The listing agreement postponement can only be used **once** per foreclosure proceeding. However, if you are able to get a fully executed purchase agreement, that can trigger a **separate additional postponement** of at least 45 days — giving you a second protected window to close the sale. Together, these two provisions can provide 90 or more days of legally protected time.

What happens if I miss the 5 business day deadline?

AB 2424 requires the listing agreement to be **received** by the trustee at least 5 business days before the scheduled sale. If you miss this window, the law cannot be used to postpone that sale. The sale will proceed as scheduled. This is why acting immediately upon receiving a Notice of Trustee Sale is absolutely critical. If you are reading this and you have a sale date approaching — call (800) 224-6962 right now, before you do anything else.

Do I have to sell my house if I use AB 2424?

No. Signing a listing agreement does not obligate you to accept an offer or complete a sale. The listing agreement is a legally required trigger to activate the AB 2424 postponement — it is a tool, not a commitment. During the 45-day window, you retain the right to explore all your options: loan modification, reinstatement, deed in lieu, or pursuing a sale. The goal is to create time — what you do with that time is up to you.

Can I use AB 2424 if I have already been through foreclosure before?

Yes. AB 2424 applies to your **current foreclosure proceeding on your current property**. Prior foreclosures on other properties, or even prior proceedings that were resolved, do not disqualify you. Each foreclosure is evaluated on its own terms. What matters is whether this foreclosure, on this property, has already used the listing agreement provision.

Does AB 2424 apply to commercial real estate?

No. AB 2424 applies to **residential properties only**. Commercial properties — including mixed-use buildings, office buildings, retail, and industrial properties — are explicitly excluded from the law's protections. If your property is commercial, contact a foreclosure attorney to explore other available options.

Will AB 2424 hurt my credit?

AB 2424 itself does not affect your credit score — there is no reporting event tied to invoking the law. You are already in foreclosure proceedings, which carry significant credit implications regardless. However, using AB 2424 to create the time needed to pursue a **short sale** — rather than allowing the foreclosure to complete — can be meaningfully better for your long-term credit recovery. Short sales are typically reported more favorably than completed foreclosures, and the path to credit recovery after a short sale is generally faster.

Do I need an attorney to use AB 2424?

No. A licensed California real estate agent can help you invoke AB 2424 by executing a qualifying listing agreement and delivering it to the trustee in the legally required manner. You do not need an attorney to trigger the postponement. That said, if your foreclosure situation involves complex legal issues — bankruptcy, disputes about the loan, title issues, or fraud — consulting with a foreclosure attorney *in addition to* a Realtor is always advisable. Mike Osterman works collaboratively with attorneys when the situation calls for it.

Can the lender or trustee reject my AB 2424 request?

No. If you deliver a valid listing agreement via certified mail or tracked overnight courier at least 5 business days before the scheduled sale, the trustee is **legally required to postpone**. This is not discretionary. It is not subject to lender approval. It is a mandate under California Civil Code Section 2924g. As long as the delivery requirements are met and the listing agreement is valid, the postponement must happen.

What is the 67% rule in AB 2424?

The 67% rule is a price floor provision built into AB 2424. The lender (beneficiary) must report the fair market value of your property to the trustee at least 10 days before the initial sale. At the initial auction, the trustee cannot accept a winning bid for **less than 67% of that fair market value**. This prevents your home from being sold at an extreme discount at the first auction attempt. If no one bids at 67% or above, the trustee postpones the sale for at least 7 days — after which the property may be sold to any bidder at any price.

How do I deliver the listing agreement to the trustee correctly?

California law under AB 2424 is very specific about delivery. The only legally acceptable methods are: (1) **USPS certified mail**, or (2) an **overnight courier** (such as FedEx or UPS) with tracking and **signature confirmation**. Email does not qualify. Fax does not qualify. Hand delivery alone is not specified in the statute. Mike Osterman at 45 Day Relief manages this delivery process directly for clients — ensuring that the correct document is sent via the correct method, with proper documentation of receipt, so there is no ambiguity or risk of a missed deadline.

What if the sale has already been postponed multiple times before AB 2424?

Prior postponements under other provisions (such as lender-initiated postponements or bankruptcy automatic stays) do not disqualify you from invoking AB 2424. If your upcoming sale date is approaching and you have **not yet used the AB 2424 listing agreement provision** on this property in this foreclosure proceeding, you may still be eligible — regardless of how many other postponements have occurred. Call Mike immediately at (800) 224-6962 to evaluate your specific timeline and situation.

How quickly can 45 Day Relief help me?

Mike Osterman responds to urgent foreclosure situations **same day**. For homeowners with imminent sale dates, the process of getting a listing agreement prepared, signed, and delivered can happen within 24 hours in many cases. The sooner you call, the more time and options you have. Call **(800) 224-6962** or email **mike@45dayrelief.com** now. Every hour matters.

Act Now — Every Day Counts

AB 2424 is one of the most powerful tools California homeowners have ever had to fight foreclosure — but it has a hard expiration date: the moment the trustee sale occurs. Once your property is sold at auction, no law, no agent, and no attorney can reverse it. The window is open right now. The question is whether you will use it.

45 Day Relief exists for exactly this moment. Mike Osterman is a licensed California Realtor (DRE#02213966) with eXp Realty Inc., based in Novato, CA (Marin County) and serving homeowners statewide. He specializes exclusively in the intersection of California foreclosure law, short sales, and AB 2424 — which means when you call, you are not explaining your situation to someone who will need to research it. Mike knows this law, he knows the process, and he knows how to move fast.

Here is what you get when you call 45 Day Relief:

- **Free, confidential consultation** — no cost, no obligation, no judgment
- **Immediate assessment** of whether AB 2424 applies to your situation
- **Same-day action** on urgent cases — listing agreement preparation, delivery, and confirmation
- **Full-service short sale support** — if a sale is the right path, Mike handles the marketing, buyer negotiations, and lender approval process
- **A trusted partner** who has seen these situations before and knows what works

Call (800) 224-6962 Now — Free Confidential Consultation

Mike Osterman | Licensed California Realtor | DRE#02213966

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📞 **(800) 224-6962**

✉ mike@45dayrelief.com

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Don't wait. Every day that passes is a day closer to losing your right to invoke AB 2424. The law is on your side — but only if you act before the sale.