

Alabama (AL) Foreclosure Information

When you develop a definite plan of action with well-timed, well-informed steps, you can stop the foreclosure process and save your home. We have outlined the foreclosure process for the state of Alabama.

Judicial Foreclosure Available:yes

Non judicial Foreclosure Available:yes

Alabama allows foreclosure in one of three ways:

- 1.by filing a lawsuit to foreclosure
- 2.by a foreclosure sale conducted in accordance with the terms specified under a power of sale clause in the deed of trust or mortgage, or
- 3.if there is no power of sale clause, then by a public sale at the courthouse steps.

Foreclosure by filing a lawsuit seeking a court order to foreclose is not common. Methods two and three are more commonly used.

Power of Sale Foreclosure

Preliminary Notices

Advertising

The sale may not take place until 30 days after publishing an advance notice of the time, place and terms of the sale once a week for four consecutive weeks. The notice must be published in the county in which the property is located.

Sale Procedures

Documents May Specify Procedures

If the mortgage or deed of trust contains a power of sale clause and specifies the time, place and manner of the foreclosure sale, then that procedure must be followed.

Statutory Procedure

However, if the mortgage or deed of trust with a power of sale clause is silent as to the place of terms of the sale, or as to the type of notice of the sale, then a foreclosure sale may be made at the courthouse door of the county where

the property is located, after a breach of the conditions or requirements of the mortgage, or deed of trust, by selling for cash to the highest bidder. However, in the case of a sale under a mortgage or deed of trust with a power of sale clause, a foreclosure deed conveys the title.

Foreclosure Without a Power of Sale Clause

If the mortgage or deed of trust lacks a power of sale clause and the lender chooses not to file a lawsuit to foreclose, then the lender may foreclose by selling the property for cash to the highest bidder at the courthouse door in the county where the property is located. Advance notice of the time, place, terms and purpose of the sale must be given by publishing an ad once a week for four consecutive weeks in a newspaper in the county where the property is located.

Deficiency

The lender may sue to foreclose the mortgage without filing a suit to obtain a deficiency judgment. Alternatively, the lender may sue to foreclose, and then sue for any resulting deficiency. It is the lender's choice.

Redemption

The borrower has a right to redeem within one year after the foreclosure. Anyone who wants to redeem should obtain a statement of the price paid for the property at the foreclosure sale from whoever brought the property at the foreclosure sale. The borrower can then redeem the property by paying the purchase price, taxes, insurance, improvements and ten percent interests on the price and all other legitimate charges to the purchaser. If necessary, the borrower can sue in the circuit court to redeem the property.