

Rhode Island (RI) Foreclosure Laws

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 Rhode Island .

The Process

Rhode Island mortgages may contain a statutory power of sale clause, which may be incorporated by reference into the mortgage document. If the mortgage does not contain a power of sale clause, then the lender has four options:

File a lawsuit seeking a court-ordered sale

File a lawsuit seeking ejection (eviction)

Peaceably enter the house in the presence of two witnesses, who must give a certificate of possession which they must acknowledge (notarize) before a notary or a Justice of the Peace

Have the borrower voluntarily agree to give up possession before a notary public or a Justice of the Peace.

If the lender maintains possession, then, after a time, the lender gets full title. The borrower has three years to file a lawsuit to redeem the property by paying up the full sum, both principal and interest, that is due on the mortgage (but not interest for future years). Rhode Island does not bar deficiency lawsuits.

Power of Sale Foreclosure

Lenders in Rhode Island generally prefer to foreclose under a power of sale clause. The lender first accelerates the loan, then conducts a foreclosure sale after giving proper notice. The lender must send a notice of the foreclosure by certified mail, return receipt requested, to the buyer 20 days before publishing the first newspaper ad. Notice of the time and place of the sale must be published once a week for three weeks in the proper newspaper. The notice must be published not only on the day before sale, but on the same weekday for each of the three weeks preceding the sale. Furthermore, the power of sale statute literally spells out which city's newspaper must be used! The statute further specifies that the sale must take place at a public auction conducted on the premises, or at a location specified in the deed. The lender may bid at the sale in the same manner as other bidders.