

# Texas (TX) 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 Texas.

**Judicial Foreclosure Available:** yes

**Non-judicial Foreclosure Available:** Yes, non-judicial. foreclosure using the power of sale clause in a deed of trust

## Preliminary Notices

### Twenty-Day Demand Letter

The lender must mail a residential borrower a demand letter giving the borrower 20 days to come up with all the missed payments before proceeding with a foreclosure or sending the 21-day notice.

### Twenty-One-Day Foreclosure Notice

The trustee must send a foreclosure notice stating the date, place and earliest

### Method of Giving Notice

Advertising: Texas does not require preliminary advertising of the foreclosure in a newspaper.

### Posting

Texas requires a foreclosure notice to be posted at the county courthouse door 21 days before foreclosure.

### Recording/Filing

Texas requires a foreclosure notice to be filed with the county clerk 21 days before foreclosure.

### Mailing

A foreclosure notice must be mailed to the borrower at the last known address as shown in the records of the lender 21 days before foreclosure.

### Sale Procedures

The foreclosure sale must take place on the first Tuesday of any month, even if it is a holiday such as the Fourth of July or New Year's, but only after the proper preliminary notices have been given. The sale is on the courthouse steps by auction to the highest bidder for cash. Lenders, however, can bid by canceling out the balance due on the note, or some part of it. There is no organization to the sales. The trustee named in the deed of trust simply shows up and calls out the property for sale. The trustee or a lender representative then bids for the lender. Investors must find the trustee in a noisy crowd to bid against the lender. The title is transferred by means of a trustee's deed.

### **Redemption**

There is not right of redemption in Texas.

### **Deficiency**

Texas now limits deficiency judgments to the difference between fair market value and the balance owed on the loan, although the borrower may have to give evidence about the market value to be sure the deficiency is kept to a minimum.

### **Unusual Features**

Texas is a very simple state in which to foreclose.