



Mortgage Foreclosure Field Guide

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THE LONG ISLAND PROFILES FIELD GUIDE TO MORTGAGE FORECLOSURES will acquaint you with the ABC's of finding and buying foreclosure properties at auction.

THE PLAYERS IN A FORECLOSURE AUCTION

- **PLAINTIFF:** The mortgagee, also know as the lender. The party to whom the money is owed.
- **DEFENDANT:** The mortgagor, also know as the borrower. The party who defaulted on the mortgage.
- **REFEREE:** Usually an Attorney, appointed by the Court to oversee the legality of the foreclosure action. He conducts the auction and is empowered to sign and convey title to the property by issuing a Referee's Deed.

- **PLAINTIFF'S ATTORNEY:** Represents the lender in the foreclosure procedure. The Attorney should be helpful when you request information regarding the status of the foreclosure auction.

USING OUR FORECLOSURE SCHEDULES

- A) Determine from the **FORECLOSURE SCHEDULES** which properties are of interest to you and which you can afford. The **FINAL JUDGMENT** or **UPSET PRICE** will be

your guide.

- B) Look at the property. Most properties can only be inspected from the exterior, so the outside appearance might be your only indication of what to expect on the inside.
- C) After selecting a house or houses that are of interest to you, go to the **COUNTY CLERK'S OFFICE** and examine the complete foreclosure file by using the **INDEX NUMBER** provided with each foreclosure notice.
The file will give you an in-depth look at the entire foreclosure action. Carefully read the **SUMMONS (look for I.R.S. liens)** and **THE FINAL JUDGMENT (is the sale subject to unpaid property taxes?)**.
- D) The **DISTRICT/SECTION/BLOCK/LOT (Suffolk County)** and **SECTION/BLOCK/LOT (Nassau County)** on each foreclosure notice, is your **KEY** to checking property taxes, map location and property sizes.
- E) **THE 1st, 2nd AND 3rd MOST IMPORTANT ITEMS IN THE FORECLOSURE** - the **position** of the mortgage being foreclosed.

- FIRST MORTGAGE:** The least complicated mortgage foreclosure. A first mortgage foreclosure wipes out all subordinate mortgages as well as other judgments, leaving a purchaser with a property free and clear of any liens or mortgages.
- SECOND MORTGAGE:** Although the judgment liens are wiped out, you would be responsible for the **FIRST MORTGAGE** if you were the successful bidder.
- THIRD MORTGAGE:** Same conditions prevail as a **Second Mortgage**, except that if you are the successful bidder, you would be responsible for the **two prior mortgages**.

Remember to examine the complete file in the County Clerk's office using **INDEX NUMBERS** and **SECTION/BLOCK/LOT NUMBERS** to discover the position of the mortgage being foreclosed.

BEFORE ATTENDING THE AUCTION

- A) One day prior to the Auction, call the **PLAINTIFF'S ATTORNEY** and make sure the auction is still scheduled to take place.
Foreclosure auctions are subject to cancellation and postponement.
A previously postponed auction will be marked **RESCHEDULED** on our Foreclosure Schedule.
- B) Preparing to bid at the auction requires a bank or certified check for **10% OF THE AMOUNT OF YOUR PLANNED BID**.

We recommend that you have this check made **payable to yourself** in the event that it is not used. While this has been a long standing practice, we do recommend that you confirm with the Plaintiff's attorney to be sure that there are no stipulations as to how the check must be made payable.

AT THE AUCTION

Attend a few auctions strictly as a **spectator** before you make a bid. This will familiarize you with the procedure and vocabulary used at foreclosure auctions.

- A) REFEREE reads terms of sale.
- B) PLAINTIFF'S ATTORNEY usually opens with a token bid.
- C) BIDDING continues from this point until final bid is accepted.
- D) SUCCESSFUL BIDDER endorses certified check to the REFEREE who issues a receipt which, in effect, is a contract of sale for the property.

AFTER THE AUCTION

- A) If you have made the successful bid you will be going to closing in **30 days**.

FORECLOSURE SALES ARE NOT SUBJECT TO YOUR OBTAINING A MORTGAGE. THEREFORE, YOU MUST HAVE YOUR FINANCING AVAILABLE BEFORE BIDDING AT THE AUCTION.

- B) An **opportunity** for negotiation appears where no one bids above the **PLAINTIFF'S FINAL JUDGMENT** or **UPSET PRICE**. The **PLAINTIFF** may be willing to negotiate with you.
Speak to **PLAINTIFF'S ATTORNEY** regarding your interest in purchasing the property.
- C) There are **speculators** who attend and purchase properties at foreclosure auctions. Usually, they are willing to sell subject to your obtaining a mortgage.

DETERMINATION AND INVESTIGATION ARE THE KEY FACTORS TO SUCCESS IN BIDDING AT FORECLOSURE AUCTIONS.

LOCATIONS OF THE FORECLOSURE AUCTION SALES

NASSAU COUNTY

NASSAU COUNTY COURT HOUSE
262 Old Country Road
Mineola, NY 11501

SUPREME COURT BUILDING
100 Supreme Court Drive
Mineola, NY 11502

SUFFOLK COUNTY

BABYLON TOWN HALL
200 East Sunrise Highway
Lindenhurst, NY 11757

RIVERHEAD TOWN HALL
200 Howell Avenue
Riverhead, NY 11901

BROOKHAVEN TOWN HALL
1 Independence Hill
Farmingville, NY 11772

SHELTER ISLAND TOWN HALL
44 North Ferry Road
Shelter Island, NY 11964

OLD BROOKHAVEN TOWN HALL
205 South Ocean Avenue
Patchogue, NY 11772

SMITHTOWN TOWN HALL
99 West Main Street
Smithtown, NY 11787

EAST HAMPTON TOWN HALL
159 Pantigo Road
East Hampton, NY 11937

SOUTHAMPTON TOWN HALL

116 Hampton Road
Southampton, NY 11968
HUNTINGTON TOWN HALL
100 Main Street
Huntington, NY 11743

SOUTHOLD TOWN HALL
53095 Main Road
Southold, NY 11971

ISLIP TOWN HALL
655 Main Street
Islip, NY 11751