

**CIVIL CODE - CIV**  
**DIVISION 3. OBLIGATIONS [1427 - 3273.16]**  
**PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS**  
**TITLE 14. LIEN [2872 - 3081]**  
**CHAPTER 2. Mortgage [2920 - 2967]**  
*( Chapter 2 enacted 1872. )*

**ARTICLE 1. Mortgages in General [2920 - 2944.10]**  
*( Article 1 enacted 1872. )*

See: [https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=2924.11&lawCode=CIV](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=2924.11&lawCode=CIV)

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**California Civil Code § 2924.11**

 **CIV § 2924.11(b)(2), (d) and (g) below:**

(a) If a foreclosure prevention alternative is approved in writing prior to the recordation of a notice of default, a mortgage servicer, mortgagee, trustee, beneficiary, or authorized agent shall not record a notice of default under either of the following circumstances:

(1) The borrower is in compliance with the terms of a written trial or permanent loan modification, forbearance, or repayment plan.

(2) A foreclosure prevention alternative has been approved in writing by all parties, including, for example, the first lien investor, junior lienholder, and mortgage insurer, as applicable, and proof of funds or financing has been provided to the servicer.

**(b) If a foreclosure prevention alternative is approved in writing  after the recordation of a notice of default, a mortgage servicer, mortgagee, trustee, beneficiary, or authorized agent **shall not** record a notice of sale or **conduct a trustee's sale under either of the following circumstances:****

(1) The borrower is in compliance with the terms of a written trial or permanent loan modification, forbearance, or repayment plan.

**(2) A foreclosure prevention alternative has been approved in writing by all parties,**  including, for example, the first lien investor, junior lienholder, and mortgage insurer, as applicable, **and proof of funds or financing has been provided to the servicer.**

(c) When a borrower accepts an offered first lien loan modification or other foreclosure prevention alternative, the mortgage servicer shall provide the borrower with a copy of the fully executed loan modification agreement or agreement

evidencing the foreclosure prevention alternative following receipt of the executed copy from the borrower.

**(d)** A mortgagee, beneficiary, or authorized agent shall record a rescission of a notice of default **or cancel a pending trustee's sale, if applicable, upon the borrower executing a permanent foreclosure prevention alternative.** In the case of a short sale, the cancellation of the pending trustee's sale shall occur when the short sale has been approved by all parties and proof of funds or financing has been provided to the mortgagee, beneficiary, or authorized agent.

(e) The mortgage servicer shall not charge any application, processing, or other fee for a first lien loan modification or other foreclosure prevention alternative.

(f) The mortgage servicer shall not collect any late fees for periods during which a complete first lien loan modification application is under consideration or a denial is being appealed, the borrower is making timely modification payments, or a foreclosure prevention alternative is being evaluated or exercised.

**(g)** If a borrower has been approved in writing for a first lien loan modification or other foreclosure prevention alternative, and the servicing of that borrower's loan is transferred or sold to another mortgage servicer, **the subsequent mortgage servicer shall continue to honor any previously approved first lien loan modification or other foreclosure prevention alternative,** in accordance with the provisions of the act that added this section.

(h) This section shall apply only to mortgages or deeds of trust described in Section 2924.15.