

Keyspire Quick Reference Guide: Foreclosure (U.S. & Canada)



Foreclosure can create powerful opportunities for investors to acquire properties at discounted prices—but it also comes with risk. Use this guide as a reference when evaluating foreclosure strategies in both the U.S. and Canada.

Foreclosure Basics

Default: Borrower stops making mortgage payments (typically 90+ days).

Foreclosure: Legal process for the lender to recover their money by selling the property.

Equity & Redemption: Borrowers may still have equity or the right to reclaim the property until the process is complete.

Process Overview

United States

Judicial Foreclosure – Court oversees the process; longer timelines (months–years).

Non-Judicial Foreclosure – Lender sells using “power of sale” clause; faster, no court needed.

Investor Watch-Out: Some states allow post-auction redemption, delaying possession.

Canada

Judicial Sale (BC, Alberta, Québec, Atlantic provinces) – Court-ordered sale, property must be sold at fair market value.

Power of Sale (Ontario) – Lender sells directly; quicker resolution.

Investor Watch-Out: Homeowner can reinstate mortgage before final sale.

Investor Action Steps

Do Your Homework

- Research liens, taxes, and other debts that may survive foreclosure.
- Confirm title status and ownership details.

Plan Your Financing

- Be prepared with cash, private, or hard money financing—auctions rarely accept traditional mortgages.

Name:

Date:



Factor in Repairs

- Properties are usually sold “as is.” Budget realistically for renovations.

Evaluate Exit Strategies

- Buy & Hold: Build equity and rental income.
- Flip: Renovate and resell quickly.
- Wholesale: Assign or resell contract to another investor.

Keyspire Tips

Look for Pre-Foreclosures – Often the best deals come before the auction, directly with motivated homeowners.

Check Local Laws – Foreclosure rules and timelines vary by state/province. Knowing the rules gives you an edge.

Work with Professionals – Partner with a foreclosure-savvy lawyer, realtor, and title company to avoid surprises.

Don't Skip Inspections – Even limited access inspections are better than buying blind.

Risks to Watch

- Competitive auctions can drive prices above market value.
- Occupied properties may involve tenant or owner evictions.
- Court or lender delays can tie up your capital.
- Overestimating after-repair value (ARV) can sink profitability.

Investor Takeaway

Foreclosure investing can accelerate your path to wealth when done strategically. By combining due diligence, the right financing, and Keyspire's proven systems, you'll reduce risks and increase your chances of turning distressed properties into profitable opportunities.

Name:

Date: