

## **Types of Foreclosure**

Foreclosure is the act of selling, by legal proceeding, real property to satisfy the obligations of the landowner to a third party. It is the procedure whereby property pledged as security is sold to pay the debt in the event of default in payment.

There are three main types of foreclosure in the State of Colorado:

### **The Public Trustee System**

The Public Trustee, by law, serves as the neutral, intermediate party between the lender and the borrower to assure that each party can exercise its legal rights in a foreclosure action. The Public Trustee is **NOT** an attorney and cannot provide legal advice to any parties involved in the foreclosure action. A foreclosure conducted by the Public Trustee's office is authorized by a deed of trust containing a power of sale (right to sell property at public auction in the event of default). The procedure for conducting the foreclosure is set by Statute and must be followed precisely.

The deed of trust is an agreement between three parties: the Grantor (owner), the Public Trustee (who has the power of sale) and the Beneficiary (lender).

### **The Judicial Foreclosure**

Foreclosure conducted through the Court system on a mortgage, deed of trust, or judgment. The procedure for conducting the foreclosure is under Rule 105 of the Colorado Rules of Civil Procedure.

A mortgage is an agreement between two parties: the Mortgagor (owner) and the Mortgagee (lender).

For more information regarding Judicial Foreclosure, please call the La Plata County Clerk of the Combined Courts, 970-247-2304.

### **The Tax Sale**

Conveyance of real property by the Treasurer for failure to pay real estate taxes. The procedure for conducting the sale of real estate tax liens is set by statute.

For more information on Tax Lien Sales, please call the Office of La Plata County Treasurer at 970-382-6352.