

A PLAIN-ENGLISH GUIDE · BRITISH COLUMBIA

Foreclosures & Court-Ordered Sales in BC

How the process works, step by step — how long each stage usually takes, what you can still control, and what to know before you buy one.

For homeowners | For buyers & investors

1 How it works in BC — the five stages
2 The timeline at a glance
3 If you're the homeowner — options, checklist, scams to avoid
4 If you're buying — Schedule A, court approval, pricing
5 Plain-English glossary

SEBASTIAN REAL ESTATE

Sebastian Czarkowski, REALTOR®
Royal LePage Elite West · (604) 788-4355
sebastianrealestate.ca

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PLEASE READ FIRST — THIS IS NOT LEGAL ADVICE.
I'm a REALTOR®, not a lawyer. This guide is general information about how the foreclosure process usually works in British Columbia, and every case is different: timelines, amounts and options depend on the mortgage, the lender and the court. Before you make any decision about a demand letter, court papers or a court date, speak with a lawyer licensed in BC. Reading this guide does not create a lawyer–client or agent–client relationship.

START HERE

Two people, one process

A foreclosure in BC is one court process seen from two sides: the **homeowner** who has fallen behind, and the **buyer** who finds the home later as a "court-ordered sale" on the MLS®.

If you're the homeowner

You're not the first person this has happened to — job losses, illness, separation, a renewal at a much higher rate — and you have **more time and more options than most people think.**

The worst thing you can do is nothing. The second worst is to panic and sign the first offer that promises to make the problem go away.

Read: Part 1, then Part 3 (pages 4–7).

If you're buying

Court-ordered sales attract serious attention every year — but the process is fundamentally different from a standard purchase. Buyers who walk in unprepared lose deposits, blow their financing timelines, or miss that a higher bidder can take the deal at the courthouse.

Read: Part 1, then Part 4 (pages 8–10).

Why this matters: for most of the process — often the better part of a year — the homeowner can still decide how, when and for how much the home is sold. That window closes when the lender gets "conduct of sale." Everything in this guide hangs on that one fact.

A judge supervises every step

Foreclosure in BC goes through the **BC Supreme Court**. A lender can't simply change the locks or sell the home on its own — a judge supervises each step, and each step takes time.

1 **Missed payments and a demand letter**

After a few missed payments, the lender (usually through its lawyer) sends a formal demand. Many mortgages allow the lender to demand the **whole balance** at this point, not just the payments missed.

2 **A petition to the court**

If it isn't resolved, the lender files a petition for foreclosure and the homeowner is served with court papers. There are deadlines to respond — this is the moment to talk to a lawyer, even if you plan to sell.

3 **The Order Nisi and the redemption period**

At the hearing the court confirms how much is owed and usually sets a **redemption period — often around six months for a home**, though a judge can make it shorter (for example, when there's little equity left) or longer. During this window the owner can still pay out the mortgage, refinance, or sell.

4 **Conduct of sale**

If nothing is resolved by the end of the redemption period, the lender usually asks the court for "conduct of sale" — the right to sell the home. From here, **the lender and its REALTOR® are in charge of the listing**, not the owner.

5 **Court approval and completion**

The home is sold "as is," and the accepted offer has to be **approved by a judge** — sometimes with other buyers showing up at the hearing to bid higher. Once approved, the sale completes and the court can order the occupants to leave by the completion date.

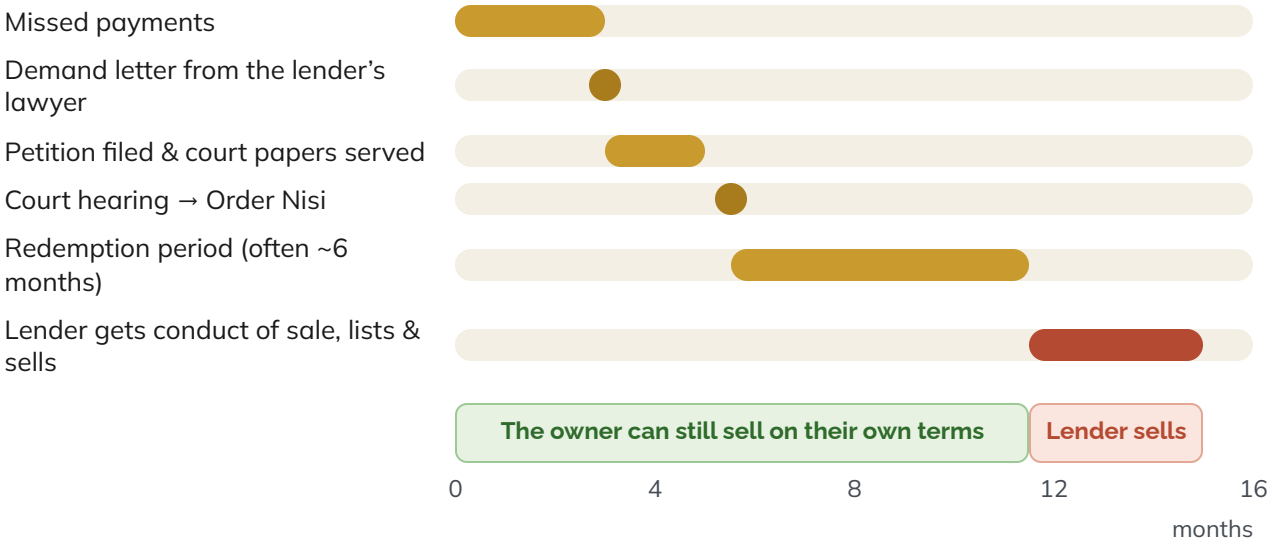
> **Foreclosure vs. court-ordered sale:** the public uses the words interchangeably. Technically, a foreclosure (an **Order Absolute**) gives the lender title to the property; a **court-ordered sale** is a direction to sell on the open market under court supervision. Most of what appears on the MLS® are court-ordered sales, because BC courts generally prefer a market sale.

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PART 2 · TIME FRAMES

The timeline at a glance

Typical BC foreclosure timeline — months from the first missed payment



Approximate and for illustration only. Real cases can move faster or slower — a lender may act sooner, a judge may shorten or extend the redemption period, and a sale can close quickly or take months. A lawyer can say where a specific case actually stands.

> **The key thing the timeline shows:** for most of the process — often the better part of a year — the homeowner is still the one who decides how, when and for how much the home is sold. That window closes when the lender gets conduct of sale.

How long until the home is sold?

It depends on how quickly the lender acts and what the court orders, but from the first missed payment it's commonly **the better part of a year, sometimes longer.** The redemption period set in the Order Nisi — often around six months for a home — is the most important date.

After a sale is accepted

The offer goes to a BC Supreme Court judge for approval. A court date is set — **sometimes within days, sometimes a few weeks out**, depending on court availability and the specifics of the case.

PART 3 · IF YOU'RE THE HOMEOWNER

Why selling on your own terms usually leaves you more

By the time a home becomes a court-ordered sale, more interest, penalties, the lender's legal fees and the costs of the court process have been added to what you owe — and all of it comes out of the sale price before you see anything. The home is also sold "as is," usually with little preparation, and the listing openly says "court-ordered sale," which many buyers read as "make a low offer."

If you sell while you still have control, you choose the timing, you can prepare and present the home properly, and you negotiate the price.

An illustration (made-up round numbers)

	You sell on your terms	Court-ordered sale later
Sale price	$850,000	$800,000
Commission & closing costs	– $25,000	– $24,000
Mortgage balance	– $600,000	– $600,000
Missed payments, extra interest & penalties	– $15,000	– $35,000
Lender's legal & court costs	—	– $20,000
What's left for you	**$210,000**	**$121,000**

Hypothetical example for illustration only — not a prediction of what any home will sell for or what any lender will charge. Court-ordered sales don't always sell below market, and your costs depend on your mortgage terms and how far the court process has gone.

> **The shortfall risk:** if a sale doesn't cover everything owed, lenders in BC can ask the court for a **judgment against you personally** for the difference. A stronger sale price protects you from that as well.

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PART 3 · IF YOU'RE THE HOMEOWNER

Your first 30 days: a checklist

- [ ] **Open every letter.** Write down every date on them — especially court dates and response deadlines. Missing a deadline can take options off the table.
- [ ] **Call your lender before it goes to court.** Ask plainly what they can offer: a deferral, a catch-up plan, a longer amortization. Take notes and ask for anything important in writing.
- [ ] **Book a consultation with a BC lawyer.** Especially if you've been served with court papers.
- [ ] **Find out what your home is realistically worth today** — not what a neighbour's sold for two years ago — and what you'd walk away with after the mortgage and costs.
- [ ] **List every debt secured on the home:** first mortgage, second mortgage, home equity line of credit, any judgments or liens. They all get paid out of a sale.
- [ ] **Talk to the people who live with you.** Decisions are easier, and moves are calmer, when nobody is surprised.

Other options worth checking first

Selling isn't always the answer. Depending on your situation, it's worth asking about:

- **A deal with your lender.** Some lenders will agree to a payment deferral, a longer amortization, or a plan to catch up — especially before the court process starts, when their own costs are still low.
- **Refinancing through a mortgage broker,** if you have equity and your income can support it. Be careful with high-interest private loans that only buy a few months and add fees on top.
- **Renting out part of the home or the whole home,** if the numbers work and your mortgage allows it.
- **Free, confidential help:** the Credit Counselling Society is a non-profit that helps with budgets and debt, and Clicklaw has plain-language information on BC foreclosure.
- **A lawyer.** For anything involving the court process, a lawyer is the right person.

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PART 3 · IF YOU'RE THE HOMEOWNER

Watch out for "foreclosure rescue" offers

When court filings become public, some homeowners start getting calls, letters and flyers offering to "stop your foreclosure" or "buy your house for cash in 7 days." Some are legitimate; some are designed to take the equity you've built. Be very careful with anyone who:

- Asks for money up front to negotiate with your lender for you.
- Wants you to sign over title "temporarily" while they "fix" the mortgage.
- Offers to buy the home and rent it back to you with an option to buy it back later — the terms often make buying it back unrealistic.
- Makes a fast cash offer far below market value and pressures you to sign today.
- Tells you not to talk to a lawyer or your lender.

> A legitimate buyer or advisor will be comfortable with you taking a day, getting a second opinion, and having a lawyer review anything you sign.

Can I keep living in my home during the process?

Usually, yes — homeowners typically keep living in the home through the redemption period and while it's for sale. When a court-approved sale completes, the court can order you to give up possession by a set date, so plan your move early rather than at the last minute.

Will I still owe money after the sale?

If the sale price doesn't cover the mortgage, interest, costs and fees, the lender can ask the court for a personal judgment for the difference. If there's money left over after every secured debt is paid, it goes to you.

What if I have a second mortgage or a home equity line of credit?

All the debts registered against the home are paid out of a sale in order of priority, and any of those lenders can start its own court process. Include all of them when you work out what you'd walk away with.

Will my neighbours find out?

Court filings are public records, and a lender's court-ordered listing is usually marketed as one. A sale you arrange yourself is listed like any other home.

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PART 3 · IF YOU'RE THE HOMEOWNER

How I can help — privately

What I can do is tell you, honestly and privately, what your home would likely sell for right now, what you'd walk away with after the mortgage and costs, and how much time you realistically have to sell well.

Sometimes the numbers show you can keep the home; sometimes they show that selling now protects the equity you've built. Either way, you'll be deciding with real numbers instead of guessing — and I'll work alongside your lawyer, not instead of one.

If you decide to sell, I'll plan the timing around your court dates, prepare and market the home properly, and keep the process as discreet as the situation allows.

Talk to me — confidentially

Call or text me directly. It stays between us, and there's no obligation.

(604) 788-4355

Not ready to talk? Leave your details on the private form and I'll reach out personally — no newsletter, no automated emails.

Open the private form

Can I still sell after I've been served with court papers?

Generally yes — during the redemption period you can usually still sell, as long as the sale pays out the lender. Once the lender has been given conduct of sale, the lender controls the sale instead. Because a court proceeding is underway, have your lawyer involved so the sale and payout are handled properly.

How does this affect my credit?

Missed payments already show up on your credit report. A court judgment for a shortfall can do further damage. For advice about your credit specifically, the Credit Counselling Society is a good free place to start.

Online version of this section, with the private form: sebastianrealestate.ca/behind-on-mortgage-bc-foreclosure-options/

PART 4 · IF YOU'RE BUYING

How buying a court-ordered sale is different

1. The offer uses a court-approved form — "Schedule A"

It strips out most of the standard subject-to conditions. There is typically **no financing condition and no inspection condition.** The property is sold **as-is, where-is**, on the date of completion. The lender is not the homeowner; they have no idea what the furnace sounds like in January or what permits were pulled for the basement suite. That information comes from your own due diligence before you write the offer, or it does not come at all.

2. An accepted offer is not final until a judge approves it

At the court hearing, **any member of the public can appear and submit a higher bid**, and the judge will typically run a brief bidding process in the courtroom. Your accepted price becomes the floor, not the ceiling. If someone outbids you, the property goes to them regardless of your signed contract. You recover your deposit, but not what you spent on inspections, legal advice, or financing arrangements. That is not a loophole; it is how the process is designed, to ensure the lender recovers as much of the debt as possible.

3. Listed below market does not mean sold below market

Court-ordered listings are often priced below comparable homes — deliberately, to generate multiple offers and courtroom competition that drives the final price back up toward market value. Occasionally one sells genuinely below market because of condition, location, or thin buyer interest. But **there are no guaranteed bargains.** A discounted home that needs a new foundation can be a worse deal than a move-in-ready one at full market price.

Looking for court-ordered listings?

They're hard to spot: the court-ordered disclosure usually sits in the agent-only remarks of the MLS®, and public portals don't flag it. So I keep a live list of every court-ordered and foreclosure listing across the Lower Mainland and Fraser Valley, pulled from the same board database agents use — with free twice-a-week email alerts.

See the live foreclosure list

Found one? Call or text **(604) 788-4355** before you offer.

PART 4 · IF YOU'RE BUYING

Before you write an offer: a checklist

- [ ] **Financing pre-arranged.** The window between acceptance and court approval is tight, and your lender needs to know early that it is a court-ordered sale — some lenders and mortgage insurers have specific requirements.
- [ ] **Inspect anyway.** The sale is as-is, but knowing what you are buying changes whether you bid, how much, and what you budget for repairs. Inspect before the offer goes in, not after.
- [ ] **Check the permit history and visible defects.** The lender has no obligation to disclose defects, give warranties or make repairs.
- [ ] **Run your own numbers.** Comparable sales, condition, repair and carrying costs, plus the higher legal costs of the court process — decide what the home is worth to you. That number, not the list price, is what matters.
- [ ] **Set your courtroom limit in advance.** Go in with a price you are genuinely comfortable losing a courtroom bid at, and know when to stop bidding in the room.
- [ ] **Use experienced people.** A REALTOR® and a real estate lawyer who have both handled court-ordered purchases before.

Can I make a subject-to-financing offer?

Generally, no. Schedule A removes most standard buyer conditions, including subject-to-financing. Have your financing confirmed, and your lender comfortable with the property, before you write the offer.

Can someone outbid me after my offer is accepted?

Yes. A public hearing date is set at the BC Supreme Court and anyone can appear and bid higher; the judge typically invites competing bids, with your accepted price as the opening bid. You get your deposit back if you're outbid, but not money spent on inspections, legal advice or mortgage applications.

Are foreclosures actually cheaper?

Sometimes, but not reliably. The court process — including bidding at the hearing — frequently pushes the final price up to or near market value. Homes that do sell below market usually have poor condition, needed repairs, a complicated title or thin buyer interest.

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PART 5 · PLAIN-ENGLISH GLOSSARY

The words you'll hear

Demand letter	The lender's formal demand for payment, usually from its lawyer — often for the whole balance.
Petition (for foreclosure)	The lender's application to the BC Supreme Court; the homeowner is served with court papers and has deadlines to respond.
Order Nisi	The court order that confirms how much is owed and sets the redemption period.
Redemption period	The window — often around six months for a home — in which the owner can still pay out, refinance or sell.
Conduct of sale	The court's permission for the lender to sell the home; from here the lender controls the listing.
Court-ordered sale	A sale on the open market under court supervision. What most "foreclosures" on the MLS® actually are.
Order Absolute	The rarer outcome in which the lender takes title to the property itself.
Schedule A	The court-approved addendum on a court-ordered sale that removes most buyer conditions.
As-is, where-is	No warranties, disclosures or repairs from the seller — the buyer takes the home as it stands.
Court approval hearing	Where a judge approves the accepted offer — and where other buyers can bid higher.
Personal judgment (shortfall)	A court order that the borrower pay any amount still owed after the sale.

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ABOUT

Sebastian Czarkowski, REALTOR®



I'm a REALTOR® with Royal LePage Elite West, based in Coquitlam. I help homeowners understand their real numbers before they decide anything, and I help buyers through court-ordered purchases from first look to court approval.

Call or text: (604) 788-4355
Email: hello@sebastianrealestate.ca
Web: sebastianrealestate.ca

Read online

Homeowners: sebastianrealestate.ca/behind-on-mortgage-bc-foreclosure-options/
Buyers: sebastianrealestate.ca/foreclosures-court-ordered-sales-lower-mainland/
Live listings: sebastianrealestate.ca/foreclosures/

NOT LEGAL OR FINANCIAL ADVICE. This guide is general information about the BC foreclosure and court-ordered sale process, current as of October 2026. Every situation is different — speak with a lawyer licensed in BC about your specific case, and with your lender or mortgage broker about financing.

Sebastian Czarkowski, REALTOR® · Royal LePage Elite West · 400-2963 Glen Drive, Coquitlam, BC V3B 2P7 · Office 604-468-0010. Royal LePage Elite West is independently owned and operated. REALTOR®. Member of The Canadian Real Estate Association.

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