FREE GUIDE FROM SOUTH DAKOTA HOUSE BUYER

Facing Foreclosure in South Dakota

A Plain Language Guide



By Marc Hoffmann, South Dakota House Buyer · Updated November 2026

You have more time and more choices than you think

If you got a letter about foreclosure, take a breath. Most people in your spot feel scared, embarrassed, or both. You did nothing unusual. A job loss, an illness, a divorce, a death in the family, or a rental that stopped paying can put good people behind.

This guide explains how foreclosure works in South Dakota, in plain words. It shows what to expect, what your options are, and who can help for free. Read it once, then use the checklist near the end.

I'm Marc Hoffmann with South Dakota House Buyer. I've been buying houses since 1998. I'll tell you straight when selling to me makes sense and when it doesn't.

How foreclosure works in South Dakota

A lender can foreclose in 1 of 2 ways. Which one applies depends on your mortgage paperwork.

Out of court. Most home mortgages here include a "power of sale" clause. That lets the lender skip the lawsuit. The lender must serve you a written notice at least 21 days before the sale. It also runs a notice in the newspaper once a week for 4 weeks.

Through the court. The lender files a lawsuit. Once you are served, you generally have 30 days to file a written answer. If you do nothing, the lender can ask for a default judgment, and a judge orders the home sold.

Either way, the county sheriff sells the home at a public auction. The lender can bid. So can anyone else.

Two things worth knowing. If the lender goes out of court, you can ask a court to move the case into a regular lawsuit. An attorney can tell you if that helps you. And federal rules protect you before any of this starts. In most cases your servicer cannot begin foreclosure until you are more than 120 days behind.

What to expect, step by step

Exact timing varies by loan and lender. The steps follow this order.

1. **You miss payments.** Fees start adding up. Most mortgage contracts require a written warning letter before things go further, and your servicer generally has to tell you about ways to avoid foreclosure.
2. **Day 120 or later.** In most cases the servicer cannot start foreclosure until you are more than 120 days behind. This is your best window to ask for help. A complete application sent more than 37 days before a sale date must be reviewed.
3. **Foreclosure starts.** Out of court, you get a written notice at least 21 days before the sale, plus the weekly newspaper notice. Through the court, you are served and have 30 days to answer. Do not ignore either one.
4. **The sale date.** The sheriff sells the home at auction. Until then you can still stop the process by working out a deal with your servicer, paying off the loan, or selling the home for enough to pay it off.
5. **The sale.** The highest bidder gets a certificate of sale. If the sale brings in more than you owe, the extra belongs to you. If it brings in less, the lender may be able to ask a court for a judgment on the difference. That is called a deficiency.
6. **The redemption period.** After the sale you can usually buy the home back by paying what is owed. For most loans that window is 1 year. It is 180 days if your mortgage has a short redemption clause, and it can drop to 60 days if the home is abandoned. Whether you can stay in the home during this time depends on your loan and the court order, so ask an attorney.
7. **The deed.** When the window closes, the buyer gets the deed. If you are still in the house, you can be evicted.

Your notices and loan papers have your exact dates. Find the sale date first.

Your options, side by side

Most people have more than 1 way out. Here are the main ones.

Option	Best if	Watch out for
Work with your servicer (repayment plan, loan change, or a pause)	You can afford payments again soon	Apply in writing and keep copies. Help is easier to get early.
Catch up or pay it off	You can pull the money together	Your loan may or may not allow catching up after an out of court notice. Get the exact amount in writing.
Sell the house	You want out, or the house is worth more than you owe	The sale must pay your loan at closing. Tell your servicer you are selling and ask for a payoff amount.
Short sale or deed in lieu	You owe more than the house is worth	The lender must approve. Ask in writing whether you still owe the difference.
Bankruptcy	A sale date is days away, or debts are overwhelming	You need a bankruptcy attorney. It can pause a sale, but it is not always a permanent fix.
Move on	You cannot keep the home and nothing else fits	Know the redemption window and what a deficiency is. A plan beats a surprise.

Mistakes to avoid and scams to watch for

Foreclosure attracts people who want to take advantage. Walk away from anyone who:

1. Asks for money up front before doing anything
2. Tells you to stop paying your mortgage or stop talking to your lender
3. Asks you to sign over your deed, or sign papers you have not read, to "save" the house
4. Guarantees they can stop the foreclosure
5. Pressures you to decide today

The most common mistakes are simpler.

- Ignoring letters and court papers. Missing the 30 days to answer a lawsuit lets the lender win by default.
- Waiting until the week of the sale. Fewer choices are left every week.
- Leaving the house empty. Abandoning it can shorten the time you have to buy it back to 60 days.

- Taking any offer, including mine, without getting it in writing.

Anyone who offers to buy your house should put the offer in writing and be fine with you showing it to your own attorney.

If you decide to sell: how it works with me

Selling can pay off your loan, end the stress, and keep new late payments from piling up. Whether it works depends on the numbers and the calendar.

When a Realtor may be the better choice. You have time, the house is in good shape, and you owe much less than it is worth. A listing can bring more money. If that is you, I'll say so.

When selling to me may fit better. You are short on time, the house needs work, you have a tenant, or you do not want repairs, cleaning, or strangers walking through. I buy the house myself. I'm not a middleman.

How it works

1. You call. Tell me about the house and your sale date, if you have one.
2. I ask a few questions. Sometimes I look at the house.
3. Within 24 hours, I give you your options in writing and explain every number.
4. You choose, take more time, or say no.
5. You pick the closing date. It can be as little as 7 days, or later if you need it.

Your options. Cash at my number. Or you name your price, and we work out how and when I pay it. Depending on your loan, that can include taking over your existing loan. Not every loan allows it, so we look at yours together first.

What you owe, including missed payments and fees, is paid from the sale. Anything left over is yours. I can't promise to stop a foreclosure, and no honest buyer can. If your sale date is close, tell me right away.

Your checklist for this week

You do not have to fix everything today. Work through these in order.

Gather

- ☐ Every letter, notice, and court paper you received, with the dates
- ☐ Your most recent mortgage statement and your servicer's phone number
- ☐ Your sale date, if one is set (it is on the notice)
- ☐ Any second mortgage, lien, or back tax bill on the house
- ☐ A short list of your monthly income and bills

Do

- ☐ Call your servicer. Ask what help is available. Write down the date, the name, and what they said.
- ☐ Call a free HUD approved housing counselor (see the next section)
- ☐ Talk to a South Dakota attorney, or apply for free legal help
- ☐ If you got court papers, mark the 30 day deadline on your calendar
- ☐ Decide which way you are leaning: keep it, sell it, or move on
- ☐ If selling is on the table, get your options in writing and take your time to compare

Free help in South Dakota

Most of this help is a phone call or a web search away, and none of it costs you anything to ask.

Who	What they offer	How to reach them
HUD approved housing counselors	Free foreclosure counseling and help talking with your servicer	Call (800) 569 4287, or use the counselor finder
SD Law Help	Free legal help if you qualify	sdlawhelp.org
South Dakota Free Legal Answers	Free legal answers for people with low income	sd.freelegalanswers.org
State Bar of South Dakota	Help finding an attorney	statebarofsouthdakota.com
Your loan servicer	Options to avoid foreclosure	The number on your mortgage statement
South Dakota 2 1 1	Referrals for housing and utility help	Dial 2 1 1

If you are in the military, or in the National Guard on active duty, extra federal protections may apply. Mention it to your servicer and your attorney.

Want to talk it through?

If you want a straight answer about your options, call me at **605-800-7759**, Monday through Saturday, 9 AM to 5 PM. Or tell me about the house and I'll get you an offer within 24 hours.

Tell me where you are in the process, and your sale date if you have one. I'll tell you honestly whether I can help. No fees, no pressure, no obligation.

Marc Hoffmann, South Dakota House Buyer

This guide is general information about South Dakota foreclosure as of November 2026. Rules change and every loan is different. Check your own loan papers, and talk with a South Dakota attorney or a HUD approved counselor about your situation. South Dakota House Buyer is a private real estate investment company, not a real estate brokerage.

Sources

- Nolo, South Dakota foreclosure laws and procedures
- SD Law Help, foreclosure questions and answers
- CFPB, new rules and fewer runarounds for mortgage borrowers
- CFPB, mortgage servicing rules for homeowners facing foreclosure
- South Dakota Legislature, foreclosure by advertisement chapter
- HUD, South Dakota housing counseling