



### **Foreclosure Sale vs. Upset Sale in Pennsylvania**

A foreclosure sale in Pennsylvania is a legal process where a lender or a mortgage company sells a property that was used as collateral for a loan. It typically occurs when a homeowner fails to make their mortgage payments for an extended period of time. In this case, the lender or mortgage company takes possession of the property, and then they sell it to recoup the amount owed on the mortgage.

For example, let's say John took out a mortgage to buy a house in Pennsylvania, but he's been struggling to keep up with his payments. After a few months of missed payments, his lender initiates a foreclosure process and eventually takes possession of his house. They would then put the house up for sale at a foreclosure auction to recover the amount owed on the mortgage.

On the other hand, an Upset tax sale in Pennsylvania is a public auction where properties with unpaid real estate taxes are sold to the highest bidder. In this case, the government collects the unpaid taxes from the sale proceeds, and the property ownership is transferred to the new buyer.

For example, let's say Jane owns a property in Pennsylvania but she hasn't paid her real estate taxes for a few years. In this case, the local government would hold an Upset tax sale, and the property would be sold to the highest bidder. The proceeds from the sale would be used to pay off Jane's unpaid taxes, and the ownership of the property would be transferred to the new buyer.

In terms of liens, a foreclosure sale in Pennsylvania usually discharges any previous liens on the property. This means that the new buyer would own the property free and clear of any prior claims or liens. However, in an Upset tax sale, any liens on the property remain in place. This means that the new buyer would be responsible for paying off any liens on the property after the sale.

I hope that helps! Let me know if you have any other questions.

**\*\*\*Nothing in this article is to be construed as legal advice and this article does not create an attorney-client relationship\*\*\***