



Deficiency Judgment | A court order stating that the borrower still owes money when the Security for a loan does not entirely satisfy a defaulted debt. Example: Upon default by the mortgagor a lender Forecloses on the mortgage. The unpaid balance of the loan is \$102,000. The property is sold at public auction and brings \$80,000. The lender then seeks a deficiency judgment against the mortgagor to recover the \$22,000 shortage, plus foreclosure expenses.