

WFG Underwriting Bulletin



To: All New York Policy Issuing Agents of WFG National Title Insurance Company
From: WFG New York Underwriting Department
Date: January 6, 2021
Bulletin No: NY 2021-01
Subject: New Foreclosure Restrictions

On December 28, 2020, Governor Cuomo signed the [Emergency Eviction and Foreclosure Prevention Act of 2020](#). The Act places a moratorium on residential foreclosure proceedings until at least May 1, 2021.

Homeowners and small landlords, who are natural persons and own 10 or fewer residential dwellings, can file hardship declarations with their mortgage lender or court to prevent a foreclosure. The foreclosing lender must send a "Hardship Declaration" to the mortgagor in 14-point type in English, and to the extent practicable, in the mortgagor's primary language.

The notice must contain a mailing address, telephone number, and active email address the mortgagor can use to contact the foreclosing lender and return the hardship declaration. The foreclosing lender will be required to provide an affidavit under penalty of perjury, that they provided the declaration to the homeowner and has not returned the declaration.

This does not apply to real property that is vacant or abandoned.

Please note that the act also prevents local governments from engaging in tax lien sales or tax foreclosures until at least May 1, 2021.

In addition, Executive Order 202.81 contained a continuation of the moratorium on commercial foreclosure proceedings until January 31, 2021.

It is particularly difficult to provide a policy out of a foreclosure proceeding at this time. If you are asked to insure any property that is coming out of foreclosure please call the WFG New York underwriting team for guidance.

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.