

WFG Underwriting Bulletin



To: All New York Policy Issuing Agents of WFG National Title Insurance Company

From: WFG New York Underwriting Department

Date: August 10, 2021

Bulletin No: NY 2021-25

Subject: Update on New York Foreclosure Restrictions

We have been hearing a lot in the news about the “Federal Foreclosure Moratorium.” which is no longer in effect. In light of the headlines, we would like to clarify at the state level that the current law in New York regarding insuring foreclosure transactions is still in effect. [The Emergency Eviction and Foreclosure Prevention Act of 2020 \(The Foreclosure Prevention Act\) remains in effect until August 31, 2021.](#)

The Foreclosure Prevention Act allows homeowners and small landlords, who are natural persons and own ten or fewer dwelling units, to file a “hardship declaration” with their lender to prevent a foreclosure. Unlike the Federal Foreclosure Moratorium, the Foreclosure Prevention Act has been extended until **August 31, 2021**, and places restrictions on residential foreclosures as well as commercial foreclosures and tax lien sales.

It is important to note that the restrictions on foreclosures do not apply to real property that is vacant or abandoned. If you have proof that the property has been abandoned you may insure, after a thorough review of the foreclosure file. However, if the property subject to the foreclosure is not vacant please call underwriting counsel to discuss the transaction in detail.

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.