

WFG Underwriting Bulletin



To: All New York Policy Issuing Agents of WFG National Title Insurance Company
From: WFG New York Underwriting Department
Date: September 2, 2021
Bulletin No: NY 2021-26
Subject: Update: NYS Foreclosure Moratorium

On September 2, 2021, Governor Hochul signed legislation extending the New York State foreclosure moratorium through **January 15, 2022**. This moratorium affects commercial and residential foreclosures, as well as tax lien sales and foreclosures brought by local governments.

Residential Properties: The law allows an owner or mortgagor to file a “hardship declaration” which will prevent the lender from continuing the foreclosure action against a mortgagor who is a natural person and owns 10 or fewer units, including one that is a primary residence of the natural person requesting the hardship relief.

For residential properties, the moratorium does not apply where the property is vacant or abandoned.

Commercial Properties: The law allows an owner or mortgagor to file a “hardship declaration” which will prevent the lender from continuing an action against a mortgagor who owns ten or fewer units where the business is resident in New York State, independently owned and operated, not dominant in its field and employs one hundred or fewer persons.

The commercial property moratorium does not distinguish between vacant or occupied property

In addition, the legislation specifically addresses an action where the judgment was obtained prior to the Covid Pandemic (March 7, 2020). In these cases, the judgment will be stayed

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.

through January 15, 2022.

Please note: these rules apply to tax lien sales and tax foreclosures conducted by local government as well as foreclosing lenders.

The law now allows a lender to challenge the hardship declaration filed by the mortgagor. However, we will need to review a decision by the court along with the vacancy status of the property, before making any determination of insurability.

It is very difficult to insure any property out of foreclosure at this time. Please contact Underwriting Counsel before insuring out of a foreclosure, and with any questions or concerns you may have. We are here to help.

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