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**\*\*\*FOR IMMEDIATE RELEASE\*\*\***

## ***Legal Aid Calls on Governor Hochul to Sign the Foreclosure Prevention Abuse Act***

### ***Critical Legislation Would Protect Homeowners From Lenders Attempting to Manipulate the Six-Year Statute of Limitations Period to Commence a Foreclosure Action***

(NEW YORK, NY) - The Legal Aid Society called on Governor Hochul to sign the Foreclosure Prevention Abuse Act ([A7737B/S5473D](#)), critical legislation that would protect homeowners across New York from lenders attempting to manipulate the six-year statute of limitations time period allowed to commence foreclosure actions. The bill was transmitted to the Governor's desk last night.

"The Foreclosure Abuse Prevention Act would even the playing field between financial institutions and homeowners, protecting households facing foreclosure from unfair legal tactics frequently employed by lenders," said **Oda C. Friedheim, supervising attorney of the Foreclosure Prevention Unit at The Legal Aid Society**. "By circumventing the established statute of limitations to commence foreclosure actions, lenders are stripping New York homeowners of their property and economic equity. Governor Hochul must sign this bill immediately to protect New Yorkers' assets and promote economic opportunity and housing stability."

#### **Background:**

The Foreclosure Prevention Abuse Act ([A7737B/S5473D](#)) seeks to correct recent misguided appellate court decisions that have allowed financial institutions to flout the established statute of limitations that bind all litigants in all forms of civil litigation. The bill would overrule *Freedom Mtge. Corp. v. Engel* and *CitiMortgage, Inc. v. Ramirez*, among other measures. These judicial decisions undermine long-standing legal precedents that mandate a fixed limitations period to ensure due process and protect homeowners from predatory lenders.

With skyrocketing mortgage delinquency rates created by the COVID-19 pandemic, disproportionately impacting communities of color, an unprecedented wave of new foreclosure filings looms as forbearance plans and federal and state moratoriums end.

Even before the pandemic, foreclosure cases represented about twenty percent of the statewide civil docket in New York's Supreme Courts; with the new wave of foreclosures during the coming year it is critical that foreclosing lenders not be excused from the operation of long-standing statute of limitations principles embedded in New York jurisprudence that apply to all litigants, even large financial institutions.

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*The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. [www.legalaidnyc.org](http://www.legalaidnyc.org)*