

Interest Tolling in Mortgage Foreclosure Actions Abrogates Contract Rights and Is Unlawful Under CPLR 5001

Related People:
Adam M. Swanson
Jessie D. Bonaros

New York Law Journal

05.14.2021

Some New York courts have begun routinely tolling prejudgment mortgage interest as a sanction against mortgage lenders and servicers for perceived delays in the foreclosure process. Exercising their “equitable powers,” courts have canceled prejudgment interest as a penalty for delays resulting from, among other things, failing to comply with discovery deadlines or a failure of proof on summary judgment. Close scrutiny reveals that New York courts do not have the power to toll prejudgment interest as a sanction.