

STATE OF NEW YORK

6699

2025-2026 Regular Sessions

IN ASSEMBLY

March 7, 2025

Introduced by M. of A. WALKER -- read once and referred to the Committee on Judiciary

AN ACT to amend the civil practice law and rules, in relation to the rights of parties involved in foreclosure actions

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 203 of the civil practice law and rules is amended
2 by adding a new subdivision (i) to read as follows:

3 (i) Clarification. Once a cause of action upon an instrument described
4 under subdivision four of section two hundred thirteen of this article
5 has accrued, no party may unilaterally waive, postpone, cancel, or reset
6 the accrual thereof, or otherwise effectuate a unilateral extension of
7 the limitations period prescribed by law to interpose the claim, unless
8 expressly permitted by law.

9 § 2. Section 206 of the civil practice law and rules is amended by
10 adding a new subdivision (e) to read as follows:

11 (e) Based on standardized mortgage instruments. In an action to fore-
12 close upon any uniform or model mortgage instrument securing real prop-
13 erty or any interest therein, as adopted by the federal national mort-
14 gage association (Fannie Mae), federal home loan mortgage corporation
15 (Freddie Mac), or U.S. Department of Housing and Urban Development
16 (HUD), the time within which the action must be commenced and the claim
17 interposed shall be computed from the time the right to demand immediate
18 payment in full of all sums so secured thereby may be exercised. For
19 purposes of this subdivision only, there shall be a rebuttable presump-
20 tion that all substantive conditions precedent to accrual of a cause of
21 action to foreclose upon any such mortgage instrument, if any, have been
22 satisfied. The presumption may be rebutted by clear and convincing
23 evidence. Nothing contained herein shall give rise to the presumption
24 that any event of default under the mortgage instrument has occurred.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 except for purposes of computation of the time within which the action
2 must be commenced and the claim interposed.

3 § 3. Subdivision (d) of rule 3217 of the civil practice law and rules,
4 as added by section 29 of part J of chapter 62 of the laws of 2003, is
5 amended to read as follows:

6 (d) Effect of discontinuance of actions based upon certain instruments
7 related to real property. Unless effectuated in strict accordance with
8 the applicable provisions of article seventeen of the general obli-
9 gations law, the discontinuance of an action upon an instrument
10 described under subdivision four of section two hundred thirteen of this
11 chapter, by any means, shall not, in form or effect:

12 1. act as a waiver, postponement, cancellation, resetting, or tolling
13 of accrual of the cause of action;

14 2. extend the limitations period prescribed by law to interpose the
15 claim; or

16 3. automatically revoke or nullify an election of remedies made in any
17 complaint.

18 (e) All notices, stipulations, or certificates pursuant to this rule
19 shall be filed with the county clerk by the defendant.

20 § 4. This act shall take effect immediately; provided, however:

21 a. for causes of action pursuant to subdivision (e) of section 206 of
22 the civil practice law and rules as added by section two of this act,
23 having accrued prior to, and would be time barred immediately upon, the
24 effective date of this act, suits thereupon shall be commenced and the
25 claims interposed within one year after this act shall have become a
26 law; and

27 b. for causes of action pursuant to subdivision (e) of section 206 of
28 the civil practice law and rules as added by section two of this act,
29 having accrued prior to the effective date of such section and for which
30 less than one year remains upon the applicable limitations period for
31 the commencement of an action or proceeding thereupon, such suits shall
32 be commenced and the claims interposed within one year after this act
33 shall have become a law.