

Brian McGrath Discusses Far-Reaching Impact of a NY Foreclosure Ruling on Mortgage Industry

Via *Newsday*

In The News | 1 min read

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Hinshaw partner Brian McGrath was quoted in a recent *Newsday* article, discussing the far-reaching consequences of a New York appellate decision in favor of a mortgage holder, following a 16-year foreclosure process.

The mortgage holder benefited from the Foreclosure Abuse Prevention Act (FAPA), the 2022 state law that tightened statute of limitation rules around foreclosures in New York. The court affirmed that FAPA applies retroactively and rejected arguments raised by the mortgage holder. The decision is the latest in a series of developments reshaping the foreclosure landscape in New York that lenders must take note of. According to real estate data provider ATTOM, New York ranks third nationally in the length of foreclosure cases, at an average of more than five years.

FAPA Implications for Lenders, Servicers, and Borrowers

“Lenders and their attorneys continue to oppose the law,” Brian observed. “The stricter rules hurt borrowers by incentivizing lenders to move quickly and spend less time working out potential solutions with consumers.”

He also explained how FAPA creates “new time pressure to financial institutions to constantly be moving the foreclosure toward completion.” The stricter rules discourage the delays and procedural resets that lenders previously relied on and may reduce the window for negotiating workout solutions with borrowers. This could lead to more aggressive foreclosure actions rather than collaborative loss mitigation efforts.

Key Takeaways

- **Statute of limitations management is critical.** Lenders and servicers must diligently track acceleration dates and prosecute foreclosure actions without unnecessary delay.
- **Loan portfolio review is essential.** Institutions holding New York mortgage debt—particularly legacy loans with complicated procedural histories—should assess exposure and the viability of pending actions.

[Read the full article \(subscription required\)](#)

- *Newsday*: “[Beating foreclosure: Long Island family wins case after 16-year fight](#)” (June 25, 2026)


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