



NEW YORKERS FOR RESPONSIBLE LENDING

EXAMPLES OF BANK DELAY

AFTER SETTLEMENT CONFERENCES HAVE CONCLUDED

Mortgage Working Group, June 2014

Legal service providers know from experience that there are thousands of foreclosure actions across the state that banks have failed to prosecute after the conclusion of settlement conferences. Here are three fairly typical examples of cases that idled for a year or more after settlement conferences had concluded.

Wells Fargo sued Mr. and Mrs. G in May 2011. The first settlement conference was held in November 2011, with subsequent conferences held in January and March 2012, at which point the case was released from conferences. In May 2012 Mr. and Mrs. G filed a pro se motion for leave to file a late answer, which Wells Fargo opposed. In August 2012 the court instead dismissed the case for Wells Fargo's failure to prosecute. Wells Fargo filed a motion to reargue, which the court granted in February 2013 and restored the case to its calendar. Incredibly, Wells Fargo has taken no step whatsoever in the case since February 2013.

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Sutton Funding sued Mr. W in foreclosure in August 2008. Mr. W filed a timely pro se answer in September 2008. Nothing whatsoever happened in the case until September 2013, when Mr. W's newly retained counsel filed a motion for leave to amend its answer. Sutton Funding cross-moved to dismiss the foreclosure action, which was granted in December 2013.

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Fannie Mae sued Mr. O in 2010, and Mr. O filed a pro se answer. Settlement conferences concluded in May 2012. In December 2012, Fannie Mae moved for summary judgment; despite opposition, the motion was granted in January 2013. An entire year later, in January 2014, Fannie Mae asked Mr. O to stipulate to discontinue the action, and the case was discontinued without prejudice a few months later.