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Appellate Court Provides Clarity on Statute of Limitations in Mortgage "Putback" Cases

For those of you who were able to attend our annual Securities Litigation and Enforcement Seminar on December 6, you may recall that one expected development in 2014 would be a decision on whether the New York statute of limitations for so-called mortgage "putback claims" begins to run on the date the representation was made or the date on which the alleged failure to repurchase occurred.

Today, the New York State Appellate Division answered that question, holding that the statute begins to run on the date the representation was first made. This is highly significant in relation to such claims brought more than six years after a mortgage securitization closed and should provide a strong defense to parties defending such claims that are brought in the future. In addition, this decision also has wider applicability beyond mortgage-backed securities because it confirms that a remedies provision should not be interpreted to expand liability by delaying the start of the accrual of the limitations period beyond the date of the alleged breach of the underlying representation or warranty.

Click [here](#) to view the decision.