

COVID19 Update: Landlord-Tenant and Collections Update January 29, 2021

1. Commercial Landlord-Tenant Cases - Governor Cuomo's moratorium on the commencement of commercial landlord-tenant cases and commercial evictions expires on January 31, 2021. However, there are currently bills being discussed in Albany, which may further extend the moratorium until May 2021. We have been conducting virtual court conferences on existing cases and have a pending virtual trial date scheduled in March.

2. Money Judgment Actions Against Commercial Tenants and Guarantors - Landlords should consider pursuing money judgments against commercial tenants and guarantors who are not paying rent as an alternative to litigating in landlord-tenant court. The 2020 NYC law limiting the liability of personal guarantors of leases for retail businesses closed due to government imposed COVID-19 restrictions, such as restaurants, was amended retroactively to extend until March 31, 2021. The constitutionality of this NYC law was challenged in Federal Court by several commercial landlords and it was upheld.

3. Residential Landlord-Tenant Cases - The COVID-19 Emergency Eviction and Foreclosure Prevention Act of 2020 went into effect on December 28, 2020. This new law basically puts all previously filed and new residential landlord-tenant cases on hold for 60 days, except for some types of nuisance cases. In addition, it establishes a Hardship Declaration procedure, which allows residential tenants to postpone any new or pending proceedings until at least May 1, 2021. Cooperatives are subject to the requirements of this new law, and as a work around we have been successful in serving maintenance default notices and UCC sale notices on lenders with apartment loans to procure payment of unpaid shareholder maintenance without filing court proceedings.

4. Condominium and HOA Collections - None of the COVID-19 related laws are currently majorly hindering condominium lien foreclosure and money judgment cases in supreme court, except that there are additional virtual court conference requirements prior to scheduling a foreclosure sale. Small claims courts outside of NYC are starting to assign hearing dates. Small claims courts within NYC are accepting new cases for filing, but not assigning hearing dates and all existing cases are on hold. There is a new virtual dispute hearing program for small claims disputes, which is supposed to be implemented for some Manhattan cases beginning next week and may eventually be implemented statewide.