**This Court Decision Could Have National Implications**

In 2006 a couple in Florida got divorced. The fall out from that divorce could cause a wave of foreclosure in Florida and beyond. Furthermore it could end up having national implications on the real estate lending business.

**How it started**

Once the couple was divorced the ex-husband stopped making payments on the $650,000 loan. A foreclosure action was filed and the bank enacted the acceleration clause. This clause meant that the borrower could stop the foreclosure action by coming up with the entire amount that was owed.

**Back in Court**

In 2011 the ex-husband, responding to a lawsuit against him from the ex-wife, filed a claim seeking a declaratory judgment from the bank. His attorneys argued that the 5-year statute of limitations applied to when the acceleration clause was filed and therefore the banks right to foreclose had expired.

The trial courts agreed with the ex-husband’s attorneys. The Court of Appeals however reversed the decision.

**The State Supreme Court**

In November the State Supreme Court of Florida made the final decision. The court ruled that each failure to pay represented a new cause of action by the lender. This ruling allows lenders to reopen frozen cases.

Real estate professionals are saying that this could cause another wave of foreclosures in Florida. Other states may look at this ruling and enact it in their state.

**More foreclosure or more NPL sales**

As Dir. of Training and Research at NoteSchool, my question is: Will this result in more foreclosures or will it result in more NPL sales? My prediction is more note sales, as it is quicker and less expensive for the banks.

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