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## New York Court of Appeals Clarifies Accrual of Statute of Limitations for Mortgage Repurchase Agreements

**Date:** 06/19/15

On June 11, 2015, the New York Court of Appeals held that for breach of contract claims arising from customary mortgage loan repurchase agreements, the State's six-year statute of limitations accrues when the agreement is executed.

### I. Factual Background

As sponsor to the securitization at issue in the case, defendant DB Structured Products, Inc. ("DBSP") purchased over 8,000 mortgage loans from third-party originators. DBSP then sold the pool of loans to plaintiff ACE Securities Corp. To facilitate the transaction the parties executed a mortgage loan repurchase agreement ("MLPA") on March 28, 2006 (the "closing date"). ACE then transferred the pool to a mortgage loan trust (the "trust"), and appointed HSBC bank as trustee under a Pooling and Servicing Agreement ("PSA").

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