



Kelley Drye Wins Appeal for Westmark with Precedent-Setting Decision

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Kelley Drye recently achieved a groundbreaking result for commercial lenders in an appeal regarding a contested mortgage foreclosure action, with a court ruling that a contract provision requiring a prepayment premium upon acceleration is valid and enforceable. In reaching this result, the Appellate Division not only rejected the borrowers' arguments, but also overruled prior law. The Appellate Division also upheld the trial court's award of default interest, late fees, and attorneys' fees to the lender, over the borrowers' objection that such amounts constituted an unenforceable penalty.