SUPREME COURT OF THE STATE OF NEW YORK, APPELLATE DIVISION, SECOND JUDICIAL DEPARTMENT

Bloom v. Nationstar Mortgage, LLC

2026 NY Slip Op 02957 (Supreme Court of the State of New York Appellate Division Second Judicial Department 2026) · No. 2021-06802 · Decided May 13, 2026

SUMMARY

The Appellate Division, Second Department, affirmed an order addressing summary judgment and class decertification in a putative class action concerning fees charged for mortgage payoff statements. The court held that charging a fee for a first payoff statement violated Real Property Law § 274-a, while the General Business Law § 349 claim could not be maintained because it was based solely on an alleged violation of 3 NYCRR 419.4(d), which provides no implied private right of action. The court upheld the certification of Class One and the decertification of Class Two.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
WRITING FOR THE COURT	Francesca E. Connolly, J.P.; Valerie Brathwaite Nelson, J.; Barry E. Warhit, J.; Lourdes M. Ventura, J.
JURISDICTION	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
DECIDED	May 13, 2026
DOCKET	2021-06802
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed and defendant cross-appealed from an order granting and denying respective portions of cross-motions for summary judgment and decertifying one of two certified classes in a putative class action.
STANDARD OF REVIEW	Summary judgment is reviewed under the standard of whether the movant established prima facie entitlement to judgment as a matter of law and, if so, whether the opposing party raised a triable issue of fact. Class decertification was reviewed under CPLR 902.
PRECEDENTIAL VALUE	published

PARTIES Francesca Bloom v. Nationstar Mortgage, LLC

TOPICS

mortgages · real estate · consumer protection · class actions · summary judgment

PRACTICE AREAS

real estate · mortgages · consumer protection · class actions · civil procedure

QUESTIONS PRESENTED

1. Whether charging a fee for providing a first mortgage payoff statement by facsimile violated Real Property Law § 274-a.
2. Whether a borrower's consent to pay a fee for a first mortgage payoff statement constituted a defense to a claim under Real Property Law § 274-a.
3. Whether the General Business Law § 349 claim could be maintained when it was based solely on an alleged violation of 3 NYCRR 419.4(d), a regulation without an implied private right of action.
4. Whether decertification of Class Two was warranted because its certification was based on the alleged violation of 3 NYCRR 419.4(d).

HOLDINGS

1. Real Property Law § 274-a prohibits a mortgagee from charging a fee for providing a first mortgage payoff statement for an owner-occupied one-to-six-family residential structure or residential condominium unit; a separate fax or expedited-delivery fee for that statement is likewise prohibited.
2. A borrower's consent to pay a fee for a first mortgage payoff statement does not constitute a defense to a violation of Real Property Law § 274-a.
3. A General Business Law § 349 claim cannot be maintained when it alleges no deceptive act independent of a violation of 3 NYCRR 419.4(d), because that regulation does not create an implied private right of action.
4. Decertification of Class Two was warranted because the class certification was based on the alleged violation of 3 NYCRR 419.4(d), which could not support the pleaded General Business Law § 349 claim.

KEY QUOTATIONS

> *"Moreover, the defendant's contention that the plaintiff consented to pay the fee does not constitute a defense to the cause of action alleging a violation of Real Property Law § 274-a"* ([*1])

> *"therefore, the cause of action alleging a violation of General Business Law § 349, which does not allege any deceptive act independent of a violation of 3 NYCRR 419.4(d), could not be maintained"* ([*2])

FACTUAL BACKGROUND

Bloom owned residential property encumbered by a mortgage serviced by Nationstar. Nationstar charged Bloom and similarly situated mortgagors a fee for providing a first mortgage payoff statement by facsimile, characterized as a fax fee for expedited delivery. Bloom alleged that the fee violated Real Property Law § 274-a and General Business Law § 349, and the action proceeded on behalf of two certified classes.

PROCEDURAL HISTORY

Bloom commenced a putative class action in 2018 alleging that Nationstar violated Real Property Law § 274-a and General Business Law § 349 by charging fees for providing mortgage payoff statements by facsimile. The Supreme Court certified two classes under CPLR article 9 in 2019. After discovery, the Supreme Court granted Nationstar summary judgment dismissing the General Business Law § 349 claim and decertified Class Two, but granted Bloom summary judgment on the Real Property Law § 274-a claim and retained Class One. The Appellate Division affirmed the order insofar as appealed and cross-appealed from.

DISPOSITION

affirmed

CASES CITED

- Dowd v. Alliance Mtge. Co., 32 A.D.3d 894, 895
- MacDonell v. PHH Mtge. Corp., 45 A.D.3d 537
- Dougherty v. North Fork Bank, 301 A.D.2d 491, 492
- MacDonell v. PHH Mtge. Corp., 2011 WL 13065094 [Sup. Ct., Suffolk County]
- Negrin v. Norwest Mtge., 263 A.D.2d 39, 45
- 1077 Madison St., LLC v. Smith, 2015 WL 5793427, at *16, 2015 U.S. Dist. LEXIS 134173 [E.D.N.Y.], aff'd, 670 F. App'x 745 [2d Cir.]
- Wells Fargo Bank, N.A. v. Vanderkamp, 45 Misc. 3d 1213(A), 2014 N.Y. Slip Op. 51557(U), at *5 [Sup. Ct., Suffolk County]
- Seller v. Citimortgage, Inc., 118 A.D.3d 511, 512