

Potential for Damages, Fees, and Costs Leads to Subordination Agreement in Favor of Client

The Firm's Lafayette Office was asked to resolve a dispute between the client, a major financial institution, and another mortgage holder. The dispute arose from the mortgages, which were executed and recorded on the same day, being mistakenly recorded in the mortgage records out of order. This mistake by the closing agent was not realized until years later and after the mortgages had been transferred many times. The holder of the priming mortgage was initially not willing to subordinate its mortgage to that of the client. However, following suit being filed, in which damages, attorneys' fees, and costs were sought, the holder of the priming mortgage rushed to resolve the matter via a subordination agreement. The matter was settled much sooner than the client initially anticipated, saving it valuable time, costs and legal fees.