



Legal Alert: SDNY strikes down NYC's Guarantor Law as Unconstitutional

April 4, 2023

On March 31, 2023 the United States District Court for the Southern District of New York found in the matter of *Melendez v the City of New York*, that Local Law 55 of 2020 (the "Guaranty Law") was unconstitutional. The Guaranty Law prevented landlords from suing guarantors of commercial leases for unpaid rent that accrued during the period of March 7, 2020 through June 30, 2021. In reaching this determination, the Court found the City failed to demonstrate that less onerous means of protecting small businesses could not have been enacted.

Based upon this [decision](#), if you have commercial tenants who failed to pay rent during the period covered by the Guaranty Law, we recommend that you contact our office to discuss the possibility of enforcing the terms of the personal guaranty.