New England Regional Midweek Update
8/12/2026

Dear Stewart Partners:

This week, we are pleased to bring you several timely legal and underwriting updates from across New England, focusing on developments that may affect foreclosure practice, title examination, and real estate transactions. In this edition, we examine a significant Maine Supreme Judicial Court decision rejecting the use of receiverships to bypass the statutory foreclosure process, review new Maine legislation that creates a framework for converting manufactured housing, mobile homes, and tiny homes from personal property to real property, and highlight a recent Connecticut appellate decision reinforcing the broad reach of fraudulent transfer claims involving real estate.

Stewart also has a new Statute of Limitations flyer for New Hampshire agents; you can download a copy from the Stewart New Hampshire website here.

As always, we are sharing upcoming educational opportunities, including our Probate 101 webinar series and a commercial escrow red flags program. Additionally, in case you missed it, we call your attention to an important recent Stewart Special Alert. We hope these updates provide practical guidance and valuable insights for your daily practice.

Lastly, we are pleased to sponsor the Massachusetts Real Estate Bar Association's New Lawyers Summer Cocktail Reception on August 27 and look forward to connecting with members of the real estate bar.

Maine Supreme Court Invalidates Receivership End-Run Sale in Foreclosure Action By: Zachary Greenfield, Esq. Maine State Counsel

In *Towd Point Mortgage Trust 2-19-4 v. Bodwell, 2026 ME 50*, the Maine Supreme Judicial Court was presented with the novel question of whether a trial court has the authority to appoint a receiver for a delinquent mortgagor with the power to sell the property prior to entry of a foreclosure judgment. The facts, as taken from the court's decision, are as follows:

On April 8, 2005, Leslie Bodwell gave a $250,000 promissory note and a mortgage on her Berwick, Maine, property, securing the same, to Amerihome Mortgage Company, LLC. On August 3, 2010, K&R Holdings, Inc. ("K&R") recorded a $13,900.43 judgment lien against said property. By assignments, Towd Point Mortgage Trust 2-19-4 ("Towd Point") came to be the holder of the note and owner of the mortgage. Bodwell defaulted on the note by failing to make payments. On August 7, 2023, Towd Point filed a complaint in the Maine

Superior Court against Bodwell and others, including K&R, to foreclose the mortgage. On October 24, 2024, Towd Point moved the court to find that Bodwell had abandoned the property and to appoint a receiver for the property. On December 9, 2024, the court issued an order finding Bodwell abandoned the property and appointing a receiver with power to secure, maintain, market, and sell the property, with the proceeds to be held in escrow pending further order as to distribution. On December 13, 2024, K&R moved to dismiss the foreclosure on the grounds that Towd Point lacked standing to foreclose. Three days later, K&R filed a notice of appeal of the receivership order to the Maine Supreme Court.

The Maine Supreme Court first addressed the issue of timing of the appeal. As a general rule, interim trial court orders are not subject to appeal until a final judgment is entered. One of the exceptions to this rule, the “death knell” exception, allows appeals to proceed immediately if delay would result in irreparable harm to the appellant. Agreeing that delaying K&R’s appeal could result in irreparable harm to K&R (presumably if the receiver sells the property and it is later determined that Towd Point lacked standing to foreclose), the Court agreed to take up the appeal.

K&R’s main argument on appeal was that the trial court lacked authority to appoint a receiver, including because an equitable remedy like a receivership should be available only when there is no adequate legal remedy, and the foreclosure statute provided Towd Point with such a remedy. Towd Point argued that because Bodwell had abandoned the property, resulting in the property’s deteriorating condition, the appointment of a receiver with authority to sell the property was appropriate.

The Maine Supreme Court agreed with K&R and held that although Maine’s foreclosure statute (14 M.R.S. § 6326 (3)) allows for findings of abandonment, the statutorily available remedies upon such a finding are limited to priority on the court’s docket and the reduction of statutory redemption period from 90 days to 45 days. As for the trial court’s equitable power to appoint a conservator, the Maine Supreme Court held that equitable remedies are only available in the absence of adequate legal remedies, and that the foreclosure statute provides an adequate legal remedy. In summary, the Court stated that “Towd Point cannot attempt an end run around the statutory foreclosure process by obtaining a sale through a receiver before a final foreclosure judgment is issued . . . .” As such, it vacated the order appointing the receiver and remanded the case back to the trial court to proceed according to the foreclosure statute.

Although this case makes it clear that mortgagees cannot shortcut the foreclosure process by seeking the appointment of a receiver to manage and sell abandoned property encumbered by a mortgage on which the mortgagor has defaulted, it is important to note that this case does not affect the right of mortgagees to seek the appointment of a special administrator for the estate of a deceased mortgagor. While the roles of a receiver and a special administrator are similar, special administrators are often appointed to allow foreclosure actions to proceed when no heir, devisee, or other interested party to the estate is willing to seek appointment as personal representative. The full decision is available here:

New Maine Law Allows Conversion of Manufactured Housing, Mobile Homes, and Tiny Homes from Personal Property to Real Property By: Zachary Greenfield, Esq. Maine State Counsel

On April 13, 2026, Maine Governor Janet Mills signed LD 2231 into law for the purpose of, among other things, allowing the conversion of manufactured housing, mobile homes, and tiny homes from personal property interests into real property interests. The new law, which takes effect July 29, 2026, includes new consumer protections, and lays out the method for causing certificates of title for manufactured housing, mobile homes, and tiny homes to be cancelled by the Secretary of State, and thereupon deemed part of the real estate upon which they are affixed. Once the new law goes into effect, title abstractors and examiners should begin seeing documents issued by the Secretary of State recorded in the Registry of Deeds certifying that the personal property title certificate has been cancelled and that the dwelling has been converted to real property. Conveyance and pledge of those dwellings shall thereafter be by deeds and mortgages recorded in the Registry of Deeds for the county in which the real estate to which the dwelling is affixed is located, as opposed to by bill of sale and by security agreement perfected by UCC-1 financing statement filed with the Maine Secretary of State. Importantly, not only does the new law allow these dwellings to be converted into real estate when the owner of the dwelling also owns the real estate to which it is affixed, it allows the conversion of these dwellings into real estate when the owner of the dwelling does not own the property to which it is affixed.

Fraudulent Transfer Claims Survive Challenge in SR Holdings I, LLC v. Cannavo, 239 Conn. App. 439 (2026) By: Frank Cammarano, Esq., Underwriting Counsel – Connecticut

Overview

In SR Holdings I, LLC v. Cannavo, 239 Conn. App. 439 (2026), the Connecticut Appellate Court addressed issues under the Connecticut Uniform Fraudulent Transfer Act (CUFTA), C.G.S. § 52-552a et seq., including the determination of whether transferred real estate constituted an "asset" under CUFTA and whether the transferee provided "reasonably equivalent value" for the transfer. The court dismissed the creditor-plaintiff's appeal after it accepted a remittitur ordered by the trial court, while affirming the judgment against the defendants on the fraudulent transfer claims.

Background

The dispute arose from transfers of two Greenwich properties owned by Western Greenwich Holdings, LLC, an entity controlled by Joseph and Leonard Cannavo. Following financial difficulties and substantial debts that resulted in New York deficiency judgments exceeding $4,000,000.00, Western Greenwich Holdings transferred the properties to Blue Mountain Partners, LLC, an entity owned by the Cannavos' sister, Carmela Cannavo.

The plaintiff, SR Holdings I, LLC, became the holder of the New York deficiency judgments and subsequently commenced two Connecticut actions alleging that the transfers violated CUFTA. The plaintiff claimed that the properties were transferred to place assets beyond the reach of creditors and that Western Greenwich Holdings received less than reasonably equivalent value in exchange.

After a lengthy procedural history involving multiple trials and mistrials, the matter was tried to a jury in 2023. The jury found that the transfers were made with actual intent to hinder, delay, or defraud creditors and that Western Greenwich Holdings did not receive reasonably equivalent value for the properties. The jury valued the transferred equity at $745,000.00.

Post-Verdict Proceedings

The defendants moved to set aside the verdict and for judgment notwithstanding the verdict, arguing that the transferred properties were overleveraged and therefore not "assets" under CUFTA, and that Blue Mountain Partners had provided reasonably equivalent value. The trial court rejected those arguments, entered judgment and ordered attachments against the transferred properties totaling $595,000 pursuant to C.G.S. § 52-552h.

Issues on Appeal

The consolidated appeals presented three principal issues. This case summary focuses on the following two:

1. Whether the Greenwich properties constituted "assets" under CUFTA despite existing mortgage indebtedness; and
2. Whether sufficient evidence supported the jury's determination that the transfer was not supported by reasonably equivalent value.

The Court's Decision

1. The Properties Qualified as "Assets" Under CUFTA

The defendants argued that the transferred properties were so heavily encumbered that no equity existed and therefore the properties did not constitute "assets" subject to fraudulent transfer analysis under CUFTA. The Appellate Court disagreed. The jury heard evidence that the properties had a combined appraised market value of approximately $2,490,000.00. Although substantial mortgage liens existed, the jury reasonably could have found that the aggregate value of the valid liens did not exceed the properties' value. Because equity remained in the properties, they constituted assets within the meaning of CUFTA. The court emphasized that the existence and amount of equity were factual questions properly submitted to the jury.

2. he Jury Reasonably Found a Lack of Reasonably Equivalent Value

The defendants also contended that Blue Mountain Partners paid reasonably equivalent value because it refinanced and satisfied existing indebtedness secured by mortgages encumbering the Greenwich properties. The Appellate Court deferred to the jury's factual findings. The evidence showed that the properties had a combined market value of approximately $2,490,000.00, while Blue Mountain Partners provided total consideration of only $1,745,000.00. Based on that evidence, the jury reasonably could conclude that the amount paid was substantially less than the transferred value and therefore did not constitute reasonably equivalent value under CUFTA. Accordingly, the trial court did not abuse its discretion in refusing to set aside the verdict.

Significance for Connecticut Practitioners

The decision provides several practical lessons for creditors, debtors, and title professionals:

Equity in real property remains subject to CUFTA, even when significant mortgage debt exists. A debtor cannot avoid fraudulent transfer scrutiny merely by demonstrating that property is heavily leveraged.

The determination of "reasonably equivalent value" is highly fact-driven and often turns on appraisals, loan payoffs, and the total consideration actually exchanged.

Family-controlled or insider transactions remain particularly vulnerable to fraudulent transfer claims when undertaken while substantial creditor claims are pending. The facts of this case implicated several traditional signs of fraud recognized under CUFTA.

Conclusion
SR Holdings I, LLC v. Cannavo reinforces Connecticut courts' broad application of CUFTA to protect creditors from transfers that remove valuable equity from a debtor's estate. The Appellate Court upheld a jury verdict finding that the transfer of two Greenwich properties to an insider-controlled entity occurred without reasonably equivalent value and with fraudulent intent.

Upcoming Educational Opportunities

TODAY at 11 AM - 2026 Massachusetts Talk Title Webinars – Probate 101: Taking Title out of Probate – Testate Estate Join Jutta Deeney, Esq., Stewart's Regional Underwriting Counsel for New England, and Tracie Kester, Esq., Stewart's Deputy Regional Underwriting Counsel for New England, for the next installment of their Probate 101 webinars. In this installment, Jutta and Tracie will be discussing how to deal with taking title from a decedent's estate in a current transaction when the decedent died with a Will. The webinar will take place from 11 AM to 11:30 AM. To register, click here: Registration link

Escrow Red Flags – August 20, 2026 at 2:00PM

This webinar is presented by Stewart's Commercial Services Group and will focus on commercial real estate red flags, fraud risks, compliance concerns, and strategies for a smoother closing. To register for this webinar, follow this link: CRE Pitfalls and Perils: Avoiding Common and Uncommon Title/Escrow Red Flags

In Case You Missed It – Special Alert: SA2026172

Stewart recently issued a Special Alert to all issuing offices relating to various individuals and addresses. Should you be asked to insure a transaction which involves any of the identified individuals or properties, approval must be obtained prior to proceeding. To review the bulletin, please follow this link: Special Alert: SA2026172

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