Rockefeller v. Jeckel, 161 A.D.2d 1090, 1090-1092, Third Dept. [1990]:

“Following service of the summons and complaint defendant answered as to another cause of action not related to this appeal, but she deliberately failed to answer plaintiff's cause of action seeking judgment for nonpayment of a promissory note according to its terms. This was apparently because defendant did not dispute the facts alleged in the cause of action and the parties were attempting to come up with some sort of acceptable repayment schedule. When these negotiations fell through, plaintiff entered a default judgment on that cause of action for the principal balance of the note, past-due interest and $5,000 in counsel fees. The origin of the claim for counsel fees was apparently a clause in the renegotiated promissory note allowing for "reasonable attorney's fees" if legal action was necessary. Defendant then sought to open the default judgment on the grounds that (1) she had a meritorious defense of usury to that cause of action, and (2) the judgment entered by the clerk was faulty since it was not for a "sum certain" due to the inclusion of the apparently arbitrary amount of $5,000 claimed by plaintiff as reasonable counsel fees and, therefore, the clerk was without authority to enter the judgment (see, CPLR 3215 [a]). Supreme Court denied this motion and this appeal by defendant followed.
Supreme Court's order must be reversed. The law favors the resolution of cases on the merits (see, Tiger v Town of Bolton, 150 AD2d 889). Generally, the party bringing the motion to vacate the default judgment is required to demonstrate both a valid excuse for the default and a meritorious defense to the underlying action (Justus v Justus, 92 AD2d 858, 859; see, CPLR 5015 [a] [1]). As will be discussed, it is our view that defendant has demonstrated a meritorious defense of usury on this motion. Although Supreme Court found insufficient excuse for defendant's default, we find that there is a sufficient basis to warrant vacating the default, both under CPLR 5015 (a) (3) and pursuant to this court's inherent authority to do so in the interest of justice (see, Lovisa Constr. Co. v Facilities Dev. Corp., 148 AD2d 913, 914; National Travis v Gialousakis, 120 Misc 2d 676, 680, affd 99 AD2d 800). Not only was the default judgment irregular on its face, defendant's usury claim itself implicates sufficient public policy considerations to justify the vacatur of the default in the interest of justice (see, National Travis v Gialousakis, supra, at 680-681).
As for the merits, plaintiff does not seriously dispute that the renegotiated note executed by the parties in March 1987 improperly imposed a 24% interest rate in violation of General Obligations Law § 5-501 (2) (see, Banking Law § 14-a). If true, the renegotiated note would be void. \* \* \*
Accordingly, we hold that the default judgment should be vacated \* \* \* . As for the parties' remaining arguments, while we agree with defendant that the entry of judgment with respect to "reasonable attorney's fees" was erroneous (see, Woodward v Eighmie Moving & Stor., 151 AD2d 892), further discussion of the issue has been rendered unnecessary by our resolution of this appeal.”

Blue Wolf Capital Fund II, L.P. v. American Stevedoring Inc., 105 A.D.3d 178, 184, First Dept. [2013]:

“Finally, we reject Blue Wolf's claim that the motion court erred by dismissing this action before it determined whether ASI had defaulted. A default would have been vacated because ASI's submissions presented a reasonable excuse and a meritorious defense (see Rockefeller v Jeckel, 161 AD2d 1090, 1091 [3d Dept 1990] ["defendant's usury claim itself implicates sufficient public policy considerations to justify the vacatur of (a) default in the interest of justice"]; Vega Capital Corp. v W.K.R. Dev. Corp., 98 AD2d 627, 628 [1st Dept 1983] [default judgment vacated based on usury defense]).”