

TECHNICAL REVIEW OF BILL:	No
COMMITTEE STATEMENT:	
ASSEMBLY:	Yes
SENATE:	No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
LEGISLATOR STATEMENT:	No

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

CL/MMcB

P.L. 2025, CHAPTER 56, *approved May 9, 2025*
Senate, No. 3525 (*Second Reprint*)

1 AN ACT concerning financial institutions servicing mortgages and
2 supplementing P.L.2009, c.53 (C.17:11C-51 et seq.).
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:
6

7 ²**[**1. a. A financial institution shall allow mortgagors to:

8 (1) make biweekly mortgage payments, in which any amount paid
9 in excess of the total annual mortgage payments due shall be applied to
10 the mortgage loan principal;

11 (2) make bimonthly mortgage payments in the amount of half of
12 the total monthly mortgage payment due; and

13 (3) pay additional amounts to the mortgage loan principal, without
14 the imposition of any penalty.

15 b. ¹At the time of an escrow analysis, if increases in property
16 taxes or insurance premiums result in increased required escrow
17 payments, then the financial institution shall:

18 (1) advise the mortgagor of the new biweekly or bimonthly
19 mortgage payments; and

20 (2) apply any additional amounts paid by the mortgagor first to any
21 unsatisfied escrow payments and then to the mortgage loan principal,
22 without the imposition of any penalty.

23 c. ¹As used in this section:

24 “Bimonthly” means occurring twice each month.

25 “Biweekly” means occurring every two weeks.

26 “Financial institution” means a State chartered bank, savings bank,
27 savings and loan association, or credit union, licensed lender, or
28 mortgage servicer subject to the laws of this State.

29 “Mortgage loan” means a loan made to a natural person to whom
30 credit is offered or extended primarily for personal, family or
31 household purposes which is secured by a mortgage constituting a lien
32 on real property located in this State on which there is erected or to be
33 erected a structure containing one, two, three, four, five or six dwelling
34 units, a portion of which structure may be used for nonresidential
35 purposes, in the making of which the financial institution relies
36 primarily upon the value of the property.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted September 30, 2024.

²Assembly AFI committee amendments adopted December 9, 2024.

1 “Mortgage servicer” means any person, who, for the person or on
2 behalf of a financial institution, receives payments of principal and
3 interest in connection with a mortgage loan, records the payments on
4 the person’s books and records and performs the other administrative
5 functions as may be necessary to properly carry out the mortgage
6 holder’s obligations under the mortgage agreement including, when
7 applicable, the receipt of funds from the mortgagor to be held in
8 escrow for payment of real estate taxes and insurance premiums and
9 the distribution of the funds to the taxing authority and insurance
10 company.

11 “Mortgagor” means a person who borrows money by mortgaging
12 property to a mortgagee as security for a mortgage loan.】²

13

14 ²1. a. A financial institution shall allow mortgagors to:

15 (1) for mortgagors who are in good standing on the mortgage:

16 (a) make biweekly mortgage payments, in which any amount
17 paid in excess of the total annual contractual mortgage payments
18 due shall be applied to the mortgage loan principal; and

19 (b) make semi-monthly mortgage payments in the amount of
20 half of the total monthly contractual mortgage payment due; and

21 (2) pay additional amounts to the mortgage loan principal,
22 without the imposition of any penalty.

23 b. If, at the time an escrow analysis is performed, the analysis
24 projects an escrow shortage or otherwise results in an increase to
25 escrow amount payments:

26 (1) the financial institution shall:

27 (a) notify the mortgagor of the new contractual mortgage
28 payment pursuant to Regulation E, 12 C.F.R. Part 1005 and
29 Regulation X, 12 C.F.R. Part 1024 and shall adjust the amount of
30 the mortgagor’s recurring payment amount, if any, in accordance
31 with the payment change resulting from the escrow analysis; and

32 (b) apply any additional amounts paid by the mortgagor first to
33 any unsatisfied escrow payments and then to the mortgage loan
34 principal, without the imposition of any penalty; and

35 (2) the mortgagor may elect to submit a payment or payments to
36 the financial institution to reduce or eliminate any projected escrow
37 shortage. A mortgagor that elects to make additional escrow
38 payments pursuant to this paragraph shall notify the financial
39 institution of their intent to make the payments. The payments shall
40 be treated separately and independent of payments applied to the
41 mortgage loan principal pursuant to this section.

42 c. As used in this section:

43 “Biweekly” means occurring every two weeks.

44 “Contractual mortgage payment” means the total amount of the
45 monthly mortgage loan payment, comprised of the principal
46 payment, interest payment, and any additional amounts being
47 collected and held in an escrow account, including for property
48 taxes and homeowners insurance.

1 “Escrow amount” means the amount of any additional funds that
2 are collected by a financial institution pursuant to a mortgage loan
3 and set aside in an escrow account to cover future expenses,
4 including property taxes and homeowners insurance.

5 “Financial institution” means a State chartered bank, savings
6 bank, savings and loan association, or credit union, licensed lender,
7 or mortgage servicer subject to the laws of this State.

8 “Interest” means the cost to the mortgagor of the mortgage loan,
9 calculated as a percentage of the mortgage loan balance.

10 “Mortgage loan” means a loan made to a natural person to whom
11 credit is offered or extended primarily for personal, family or
12 household purposes which is secured by a mortgage constituting a
13 lien on real property located in this State on which there is erected
14 or to be erected a structure containing one, two, three, four, five or
15 six dwelling units, a portion of which structure may be used for
16 nonresidential purposes, in the making of which the financial
17 institution relies primarily upon the value of the property.

18 “Mortgage servicer” means any person, who, for the person or
19 on behalf of a financial institution, receives payments of principal
20 and interest in connection with a mortgage loan, records the
21 payments on the person’s books and records and performs the other
22 administrative functions as may be necessary to properly carry out
23 the mortgage holder’s obligations under the mortgage agreement
24 including, when applicable, the receipt of funds from the mortgagor
25 to be held in escrow for payment of real estate taxes and insurance
26 premiums and the distribution of the funds to the taxing authority
27 and insurance company.

28 “Mortgagor” means a person who borrows money by mortgaging
29 property to a mortgagee as security for a mortgage.

30 “Principal” means the outstanding balance of the original
31 mortgage loan, exclusive of interest.

32 “Semi-monthly” means occurring twice each month.²
33

34 2. This act shall take effect on the first day of the sixth month
35 next following enactment and shall apply to mortgage agreements
36 entered into on or after that date.
37
38

39 _____
40
41 Requires financial institutions to allow mortgagors to make
42 biweekly and semi-monthly payments and payments to mortgage
43 principal.

CHAPTER 56

AN ACT concerning financial institutions servicing mortgages and supplementing P.L.2009, c.53 (C.17:11C-51 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.17:11C-75.1 Mortgagors to make biweekly, semi-monthly payments, principal payments, allowed.

1. a. A financial institution shall allow mortgagors to:

(1) for mortgagors who are in good standing on the mortgage:

(a) make biweekly mortgage payments, in which any amount paid in excess of the total annual contractual mortgage payments due shall be applied to the mortgage loan principal; and

(b) make semi-monthly mortgage payments in the amount of half of the total monthly contractual mortgage payment due; and

(2) pay additional amounts to the mortgage loan principal, without the imposition of any penalty.

b. If, at the time an escrow analysis is performed, the analysis projects an escrow shortage or otherwise results in an increase to escrow amount payments:

(1) the financial institution shall:

(a) notify the mortgagor of the new contractual mortgage payment pursuant to Regulation E, 12 C.F.R. Part 1005 and Regulation X, 12 C.F.R. Part 1024 and shall adjust the amount of the mortgagor's recurring payment amount, if any, in accordance with the payment change resulting from the escrow analysis; and

(b) apply any additional amounts paid by the mortgagor first to any unsatisfied escrow payments and then to the mortgage loan principal, without the imposition of any penalty; and

(2) the mortgagor may elect to submit a payment or payments to the financial institution to reduce or eliminate any projected escrow shortage. A mortgagor that elects to make additional escrow payments pursuant to this paragraph shall notify the financial institution of their intent to make the payments. The payments shall be treated separately and independent of payments applied to the mortgage loan principal pursuant to this section.

c. As used in this section:

“Biweekly” means occurring every two weeks.

“Contractual mortgage payment” means the total amount of the monthly mortgage loan payment, comprised of the principal payment, interest payment, and any additional amounts being collected and held in an escrow account, including for property taxes and homeowners insurance.

“Escrow amount” means the amount of any additional funds that are collected by a financial institution pursuant to a mortgage loan and set aside in an escrow account to cover future expenses, including property taxes and homeowners insurance.

“Financial institution” means a State-chartered bank, savings bank, savings and loan association, or credit union, licensed lender, or mortgage servicer subject to the laws of this State.

“Interest” means the cost to the mortgagor of the mortgage loan, calculated as a percentage of the mortgage loan balance.

“Mortgage loan” means a loan made to a natural person to whom credit is offered or extended primarily for personal, family, or household purposes which is secured by a mortgage constituting a lien on real property located in this State on which there is erected or to be erected a structure containing one, two, three, four, five, or six dwelling units, a portion of which structure may be used for nonresidential purposes, in the making of which the financial institution relies primarily upon the value of the property.

“Mortgage servicer” means any person who, for the person or on behalf of a financial institution, receives payments of principal and interest in connection with a mortgage loan,

records the payments on the person's books, and records and performs the other administrative functions as may be necessary to properly carry out the mortgage holder's obligations under the mortgage agreement including, when applicable, the receipt of funds from the mortgagor to be held in escrow for payment of real estate taxes and insurance premiums and the distribution of the funds to the taxing authority and insurance company.

"Mortgagor" means a person who borrows money by mortgaging property to a mortgagee as security for a mortgage.

"Principal" means the outstanding balance of the original mortgage loan, exclusive of interest.

"Semi-monthly" means occurring twice each month.

2. This act shall take effect on the first day of the sixth month next following enactment and shall apply to mortgage agreements entered into on or after that date.

Approved May 9, 2025.

SENATE, No. 3525

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 28, 2024

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

SYNOPSIS

Requires financial institutions to allow mortgagors to make biweekly and bimonthly payments and payments to mortgage principal.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning financial institutions servicing mortgages and
2 supplementing P.L.2009, c.53 (C.17:11C-51 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. a. A financial institution shall allow mortgagors to:

8 (1) make biweekly mortgage payments, in which any amount paid
9 in excess of the total annual mortgage payments due shall be applied
10 to the mortgage loan principal;

11 (2) make bimonthly mortgage payments in the amount of half of
12 the total monthly mortgage payment due; and

13 (3) pay additional amounts to the mortgage loan principal,
14 without the imposition of any penalty.

15 b. As used in this section:

16 "Bimonthly" means occurring twice each month.

17 "Biweekly" means occurring every two weeks.

18 "Financial institution" means a State chartered bank, savings
19 bank, savings and loan association, or credit union, licensed lender,
20 or mortgage servicer subject to the laws of this State.

21 "Mortgage loan" means a loan made to a natural person to whom
22 credit is offered or extended primarily for personal, family or
23 household purposes which is secured by a mortgage constituting a
24 lien on real property located in this State on which there is erected or
25 to be erected a structure containing one, two, three, four, five or six
26 dwelling units, a portion of which structure may be used for
27 nonresidential purposes, in the making of which the financial
28 institution relies primarily upon the value of the property.

29 "Mortgage servicer" means any person, who, for the person or on
30 behalf of a financial institution, receives payments of principal and
31 interest in connection with a mortgage loan, records the payments on
32 the person's books and records and performs the other administrative
33 functions as may be necessary to properly carry out the mortgage
34 holder's obligations under the mortgage agreement including, when
35 applicable, the receipt of funds from the mortgagor to be held in
36 escrow for payment of real estate taxes and insurance premiums and
37 the distribution of the funds to the taxing authority and insurance
38 company.

39 "Mortgagor" means a person who borrows money by mortgaging
40 property to a mortgagee as security for a mortgage loan.

41

42 2. This act shall take effect on the first day of the sixth month
43 next following enactment and shall apply to mortgage agreements
44 entered into on or after that date.

1 STATEMENT

2

3 This bill requires financial institutions to allow mortgagors to:

4 (1) make biweekly mortgage payments, in which any amount paid
5 in excess of the total annual mortgage payments due is to be applied
6 to the mortgage loan principal;

7 (2) make bimonthly mortgage payments in the amount of half of
8 the total monthly mortgage payment due; and

9 (3) pay additional amounts to the mortgage loan, without the
10 imposition of any penalty.

11 The bill applies to financial institutions regulated by the State,
12 including: State chartered banks, savings banks, savings and loan
13 associations, or credit unions, licensed lenders, or mortgage servicers
14 subject to New Jersey law.

[First Reprint]

SENATE, No. 3525

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 28, 2024

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator ANGELA V. MCKNIGHT

District 31 (Hudson)

Co-Sponsored by:

Senator Timberlake

SYNOPSIS

Requires financial institutions to allow mortgagors to make biweekly and bimonthly payments and payments to mortgage principal.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on September 30, 2024, with amendments.



(Sponsorship Updated As Of: 10/28/2024)

1 AN ACT concerning financial institutions servicing mortgages and
2 supplementing P.L.2009, c.53 (C.17:11C-51 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. a. A financial institution shall allow mortgagors to:

8 (1) make biweekly mortgage payments, in which any amount paid
9 in excess of the total annual mortgage payments due shall be applied to
10 the mortgage loan principal;

11 (2) make bimonthly mortgage payments in the amount of half of
12 the total monthly mortgage payment due; and

13 (3) pay additional amounts to the mortgage loan principal, without
14 the imposition of any penalty.

15 b. ¹At the time of an escrow analysis, if increases in property
16 taxes or insurance premiums result in increased required escrow
17 payments, then the financial institution shall:

18 (1) advise the mortgagor of the new biweekly or bimonthly
19 mortgage payments; and

20 (2) apply any additional amounts paid by the mortgagor first to any
21 unsatisfied escrow payments and then to the mortgage loan principal,
22 without the imposition of any penalty.

23 c.¹ As used in this section:

24 “Bimonthly” means occurring twice each month.

25 “Biweekly” means occurring every two weeks.

26 “Financial institution” means a State chartered bank, savings bank,
27 savings and loan association, or credit union, licensed lender, or
28 mortgage servicer subject to the laws of this State.

29 “Mortgage loan” means a loan made to a natural person to whom
30 credit is offered or extended primarily for personal, family or
31 household purposes which is secured by a mortgage constituting a lien
32 on real property located in this State on which there is erected or to be
33 erected a structure containing one, two, three, four, five or six dwelling
34 units, a portion of which structure may be used for nonresidential
35 purposes, in the making of which the financial institution relies
36 primarily upon the value of the property.

37 “Mortgage servicer” means any person, who, for the person or on
38 behalf of a financial institution, receives payments of principal and
39 interest in connection with a mortgage loan, records the payments on
40 the person’s books and records and performs the other administrative
41 functions as may be necessary to properly carry out the mortgage
42 holder’s obligations under the mortgage agreement including, when
43 applicable, the receipt of funds from the mortgagor to be held in
44 escrow for payment of real estate taxes and insurance premiums and

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted September 30, 2024.

1 the distribution of the funds to the taxing authority and insurance
2 company.

3 "Mortgagor" means a person who borrows money by mortgaging
4 property to a mortgagee as security for a mortgage loan.

5

6 2. This act shall take effect on the first day of the sixth month
7 next following enactment and shall apply to mortgage agreements
8 entered into on or after that date.

[Second Reprint]

SENATE, No. 3525

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED JUNE 28, 2024

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Co-Sponsored by:

**Senator Timberlake, Assemblywomen Reynolds-Jackson, Carter, Ramirez,
Assemblyman Rodriguez, Assemblywoman McCann Stamato,
Assemblymen DeAngelo, Egan, Assemblywomen Drulis, Morales,
Assemblymen Venezia, Marengo, Atkins, Wimberly and Senator Ruiz**

SYNOPSIS

Requires financial institutions to allow mortgagors to make biweekly and semi-monthly payments and payments to mortgage principal.

CURRENT VERSION OF TEXT

As reported by the Assembly Financial Institutions and Insurance Committee on December 9, 2024, with amendments.

(Sponsorship Updated As Of: 3/24/2025)

1 AN ACT concerning financial institutions servicing mortgages and
2 supplementing P.L.2009, c.53 (C.17:11C-51 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 ²[1. a. A financial institution shall allow mortgagors to:

8 (1) make biweekly mortgage payments, in which any amount paid
9 in excess of the total annual mortgage payments due shall be applied to
10 the mortgage loan principal;

11 (2) make bimonthly mortgage payments in the amount of half of
12 the total monthly mortgage payment due; and

13 (3) pay additional amounts to the mortgage loan principal, without
14 the imposition of any penalty.

15 b. ¹At the time of an escrow analysis, if increases in property
16 taxes or insurance premiums result in increased required escrow
17 payments, then the financial institution shall:

18 (1) advise the mortgagor of the new biweekly or bimonthly
19 mortgage payments; and

20 (2) apply any additional amounts paid by the mortgagor first to any
21 unsatisfied escrow payments and then to the mortgage loan principal,
22 without the imposition of any penalty.

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28 mortgage servicer subject to the laws of this State.

29 “Mortgage loan” means a loan made to a natural person to whom
30 credit is offered or extended primarily for personal, family or
31 household purposes which is secured by a mortgage constituting a lien
32 on real property located in this State on which there is erected or to be
33 erected a structure containing one, two, three, four, five or six dwelling
34 units, a portion of which structure may be used for nonresidential
35 purposes, in the making of which the financial institution relies
36 primarily upon the value of the property.

37 “Mortgage servicer” means any person, who, for the person or on
38 behalf of a financial institution, receives payments of principal and
39 interest in connection with a mortgage loan, records the payments on
40 the person’s books and records and performs the other administrative
41 functions as may be necessary to properly carry out the mortgage
42 holder’s obligations under the mortgage agreement including, when
43 applicable, the receipt of funds from the mortgagor to be held in
44 escrow for payment of real estate taxes and insurance premiums and

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted September 30, 2024.

²Assembly AFI committee amendments adopted December 9, 2024.

1 the distribution of the funds to the taxing authority and insurance
2 company.

3 "Mortgagor" means a person who borrows money by mortgaging
4 property to a mortgagee as security for a mortgage loan. **J**²

5
6 ²1. a. A financial institution shall allow mortgagors to:

7 (1) for mortgagors who are in good standing on the mortgage:

8 (a) make biweekly mortgage payments, in which any amount
9 paid in excess of the total annual contractual mortgage payments
10 due shall be applied to the mortgage loan principal; and

11 (b) make semi-monthly mortgage payments in the amount of
12 half of the total monthly contractual mortgage payment due; and

13 (2) pay additional amounts to the mortgage loan principal,
14 without the imposition of any penalty.

15 b. If, at the time an escrow analysis is performed, the analysis
16 projects an escrow shortage or otherwise results in an increase to
17 escrow amount payments:

18 (1) the financial institution shall:

19 (a) notify the mortgagor of the new contractual mortgage
20 payment pursuant to Regulation E, 12 C.F.R. Part 1005 and
21 Regulation X, 12 C.F.R. Part 1024 and shall adjust the amount of
22 the mortgagor's recurring payment amount, if any, in accordance
23 with the payment change resulting from the escrow analysis; and

24 (b) apply any additional amounts paid by the mortgagor first to
25 any unsatisfied escrow payments and then to the mortgage loan
26 principal, without the imposition of any penalty; and

27 (2) the mortgagor may elect to submit a payment or payments to
28 the financial institution to reduce or eliminate any projected escrow
29 shortage. A mortgagor that elects to make additional escrow
30 payments pursuant to this paragraph shall notify the financial
31 institution of their intent to make the payments. The payments shall
32 be treated separately and independent of payments applied to the
33 mortgage loan principal pursuant to this section.

34 c. As used in this section:

35 "Biweekly" means occurring every two weeks.

36 "Contractual mortgage payment" means the total amount of the
37 monthly mortgage loan payment, comprised of the principal
38 payment, interest payment, and any additional amounts being
39 collected and held in an escrow account, including for property
40 taxes and homeowners insurance.

41 "Escrow amount" means the amount of any additional funds that
42 are collected by a financial institution pursuant to a mortgage loan
43 and set aside in an escrow account to cover future expenses,
44 including property taxes and homeowners insurance.

45 "Financial institution" means a State chartered bank, savings
46 bank, savings and loan association, or credit union, licensed lender,
47 or mortgage servicer subject to the laws of this State.

- 1 “Interest” means the cost to the mortgagor of the mortgage loan,
2 calculated as a percentage of the mortgage loan balance.
- 3 “Mortgage loan” means a loan made to a natural person to whom
4 credit is offered or extended primarily for personal, family or
5 household purposes which is secured by a mortgage constituting a
6 lien on real property located in this State on which there is erected
7 or to be erected a structure containing one, two, three, four, five or
8 six dwelling units, a portion of which structure may be used for
9 nonresidential purposes, in the making of which the financial
10 institution relies primarily upon the value of the property.
- 11 “Mortgage servicer” means any person, who, for the person or
12 on behalf of a financial institution, receives payments of principal
13 and interest in connection with a mortgage loan, records the
14 payments on the person’s books and records and performs the other
15 administrative functions as may be necessary to properly carry out
16 the mortgage holder’s obligations under the mortgage agreement
17 including, when applicable, the receipt of funds from the mortgagor
18 to be held in escrow for payment of real estate taxes and insurance
19 premiums and the distribution of the funds to the taxing authority
20 and insurance company.
- 21 “Mortgagor” means a person who borrows money by mortgaging
22 property to a mortgagee as security for a mortgage.
- 23 “Principal” means the outstanding balance of the original
24 mortgage loan, exclusive of interest.
- 25 “Semi-monthly” means occurring twice each month.²
26
- 27 2. This act shall take effect on the first day of the sixth month
28 next following enactment and shall apply to mortgage agreements
29 entered into on or after that date.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3525

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2024

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Senate Bill No. 3525 (1R).

As amended, this bill requires financial institutions to allow mortgagors to:

(1) for mortgagors who are in good standing on the mortgage:

(a) make biweekly mortgage payments, in which any amount paid in excess of the total annual contractual mortgage payments due shall be applied to the mortgage loan principal; and

(b) make semi-monthly mortgage payments in the amount of half of the total monthly contractual mortgage payment due; and

(2) pay additional amounts to the mortgage loan principal, without the imposition of any penalty.

Pursuant to the bill, if, at the time an escrow analysis is performed, the analysis projects an escrow shortage or otherwise results in an increase to escrow amount payments:

(1) the financial institution is required to notify the mortgagor of the new contractual mortgage payment and adjust the amount of the mortgagor's recurring payment amount; and apply any additional amounts paid by the mortgagor first to any unsatisfied escrow payments and then to the mortgage loan principal, without the imposition of any penalty; and

(2) the mortgagor may elect to submit a payment or payments to the financial institution to reduce or eliminate any projected escrow shortage.

The bill applies to financial institutions regulated by the State, including: State chartered banks, savings banks, savings and loan associations, or credit unions, licensed lenders, or mortgage servicers subject to New Jersey law.

As amended and reported by the committee, Senate Bill No. 3525 (1R) is identical to Assembly Bill No. 4893 (1R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) stipulate that the requirement that financial institutions allow mortgagors to make biweekly and semi-monthly payments applies only to mortgagors in good standing;

(2) require a financial institution to take certain actions following an escrow analysis that projects an escrow shortage or otherwise results in an increase to escrow payments

(3) allow mortgagors with a projected escrow shortage to make separate payments to reduce or eliminate the shortage; and

(4) make certain other technical changes.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3525

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 30, 2024

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 3525.

As amended, this bill requires financial institutions to allow mortgagors, as defined in the bill, to:

(1) make biweekly mortgage payments, in which any amount paid in excess of the total annual mortgage payments due is to be applied to the mortgage loan principal;

(2) make bimonthly mortgage payments in the amount of half of the total monthly mortgage payment due; and

(3) pay additional amounts to the mortgage loan, without the imposition of any penalty.

The bill also provides that, at the time of an escrow analysis, if increases in property taxes or insurance premiums result in increased required escrow payments, then the financial institution is to:

(1) advise the mortgagor of the new biweekly or bimonthly mortgage payments; and

(2) apply any additional amounts paid by the mortgagor first to any unsatisfied escrow payments and then to the mortgage loan principal, without the imposition of any penalty.

The bill applies to financial institutions regulated by the State, including: State chartered banks; savings banks; savings and loan associations or credit unions; licensed lenders; or mortgage servicers subject to State law.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that, at the time of an escrow analysis, if there are certain cost increases that increase required escrow payments, the financial institution is to advise the mortgagor of the new payments and to apply any additional amounts paid by the mortgagor first to any unsatisfied escrow payments and then to the principal, without penalty.

ASSEMBLY, No. 4893

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 17, 2024

Sponsored by:

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Co-Sponsored by:

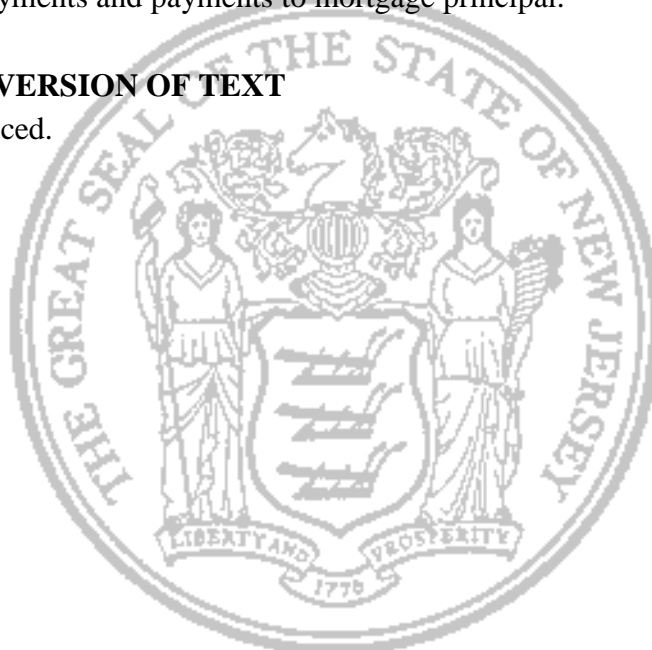
Assemblywomen Reynolds-Jackson, Carter, Ramirez, Assemblyman Rodriguez, Assemblywoman McCann Stamato, Assemblymen DeAngelo, Egan, Assemblywomen Drulis, Morales, Assemblymen Venezia, Marengo, Atkins and Wimberly

SYNOPSIS

Requires financial institutions to allow mortgagors to make biweekly and bimonthly payments and payments to mortgage principal.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/9/2024)

1 AN ACT concerning financial institutions servicing mortgages and
2 supplementing P.L.2009, c.53 (C.17:11C-51 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. a. A financial institution shall allow mortgagors to:

8 (1) make biweekly mortgage payments, in which any amount paid
9 in excess of the total annual mortgage payments due shall be applied
10 to the mortgage loan principal;

11 (2) make bimonthly mortgage payments in the amount of half of
12 the total monthly mortgage payment due; and

13 (3) pay additional amounts to the mortgage loan principal,
14 without the imposition of any penalty.

15 b. As used in this section:

16 "Bimonthly" means occurring twice each month.

17 "Biweekly" means occurring every two weeks.

18 "Financial institution" means a State chartered bank, savings
19 bank, savings and loan association, or credit union, licensed lender,
20 or mortgage servicer subject to the laws of this State.

21 "Mortgage loan" means a loan made to a natural person to whom
22 credit is offered or extended primarily for personal, family or
23 household purposes which is secured by a mortgage constituting a
24 lien on real property located in this State on which there is erected or
25 to be erected a structure containing one, two, three, four, five or six
26 dwelling units, a portion of which structure may be used for
27 nonresidential purposes, in the making of which the financial
28 institution relies primarily upon the value of the property.

29 "Mortgage servicer" means any person, who, for the person or on
30 behalf of a financial institution, receives payments of principal and
31 interest in connection with a mortgage loan, records the payments on
32 the person's books and records and performs the other administrative
33 functions as may be necessary to properly carry out the mortgage
34 holder's obligations under the mortgage agreement including, when
35 applicable, the receipt of funds from the mortgagor to be held in
36 escrow for payment of real estate taxes and insurance premiums and
37 the distribution of the funds to the taxing authority and insurance
38 company.

39 "Mortgagor" means a person who borrows money by mortgaging
40 property to a mortgagee as security for a mortgage loan.

41

42 2. This act shall take effect on the first day of the sixth month
43 next following enactment and shall apply to mortgage agreements
44 entered into on or after that date.

1 STATEMENT

2

3 This bill requires financial institutions to allow mortgagors to:

4 (1) make biweekly mortgage payments, in which any amount paid
5 in excess of the total annual mortgage payments due is to be applied
6 to the mortgage loan principal;

7 (2) make bimonthly mortgage payments in the amount of half of
8 the total monthly mortgage payment due; and

9 (3) pay additional amounts to the mortgage loan, without the
10 imposition of any penalty.

11 The bill applies to financial institutions regulated by the State,
12 including: State chartered banks, savings banks, savings and loan
13 associations, or credit unions, licensed lenders, or mortgage servicers
14 subject to New Jersey law.

[First Reprint]

ASSEMBLY, No. 4893

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED OCTOBER 17, 2024

Sponsored by:

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Co-Sponsored by:

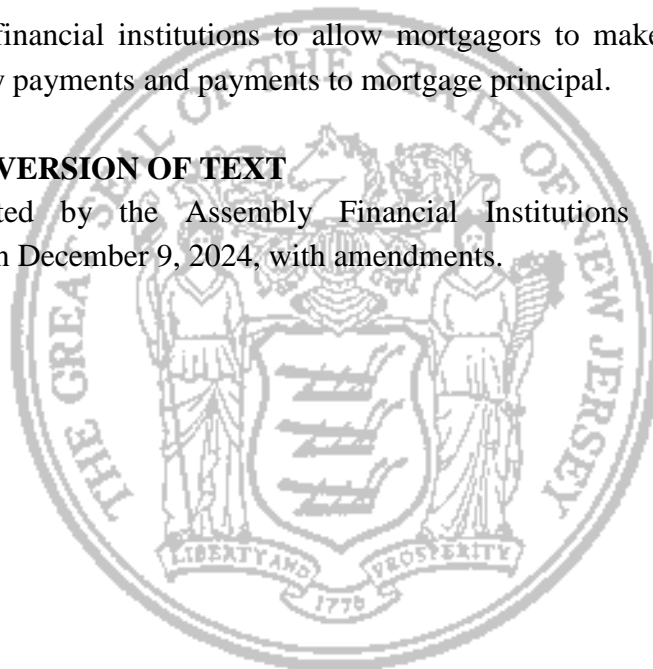
Assemblywomen Reynolds-Jackson, Carter, Ramirez, Assemblyman Rodriguez, Assemblywoman McCann Stamato, Assemblymen DeAngelo, Egan, Assemblywomen Drulis, Morales, Assemblymen Venezia, Marengo, Atkins and Wimberly

SYNOPSIS

Requires financial institutions to allow mortgagors to make biweekly and semi-monthly payments and payments to mortgage principal.

CURRENT VERSION OF TEXT

As reported by the Assembly Financial Institutions and Insurance Committee on December 9, 2024, with amendments.



(Sponsorship Updated As Of: 12/9/2024)

1 AN ACT concerning financial institutions servicing mortgages and
2 supplementing P.L.2009, c.53 (C.17:11C-51 et seq.).
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:
6

7 ¹**[**1. a. A financial institution shall allow mortgagors to:

8 (1) make biweekly mortgage payments, in which any amount
9 paid in excess of the total annual mortgage payments due shall be
10 applied to the mortgage loan principal;

11 (2) make bimonthly mortgage payments in the amount of half of
12 the total monthly mortgage payment due; and

13 (3) pay additional amounts to the mortgage loan principal,
14 without the imposition of any penalty.

15 b. As used in this section:

16 “Bimonthly” means occurring twice each month.

17 “Biweekly” means occurring every two weeks.

18 “Financial institution” means a State chartered bank, savings
19 bank, savings and loan association, or credit union, licensed lender,
20 or mortgage servicer subject to the laws of this State.

21 “Mortgage loan” means a loan made to a natural person to whom
22 credit is offered or extended primarily for personal, family or
23 household purposes which is secured by a mortgage constituting a
24 lien on real property located in this State on which there is erected
25 or to be erected a structure containing one, two, three, four, five or
26 six dwelling units, a portion of which structure may be used for
27 nonresidential purposes, in the making of which the financial
28 institution relies primarily upon the value of the property.

29 “Mortgage servicer” means any person, who, for the person or
30 on behalf of a financial institution, receives payments of principal
31 and interest in connection with a mortgage loan, records the
32 payments on the person’s books and records and performs the other
33 administrative functions as may be necessary to properly carry out
34 the mortgage holder’s obligations under the mortgage agreement
35 including, when applicable, the receipt of funds from the mortgagor
36 to be held in escrow for payment of real estate taxes and insurance
37 premiums and the distribution of the funds to the taxing authority
38 and insurance company.

39 “Mortgagor” means a person who borrows money by mortgaging
40 property to a mortgagee as security for a mortgage loan. **]**¹
41

42 ¹1. a. A financial institution shall allow mortgagors to:

43 (1) for mortgagors who are in good standing on the mortgage:

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AFI committee amendments adopted December 9, 2024.

- 1 (a) make biweekly mortgage payments, in which any amount
2 paid in excess of the total annual contractual mortgage payments
3 due shall be applied to the mortgage loan principal; and
- 4 (b) make semi-monthly mortgage payments in the amount of
5 half of the total monthly contractual mortgage payment due; and
- 6 (2) pay additional amounts to the mortgage loan principal,
7 without the imposition of any penalty.
- 8 b. If, at the time an escrow analysis is performed, the analysis
9 projects an escrow shortage or otherwise results in an increase to
10 escrow amount payments:
- 11 (1) the financial institution shall:
- 12 (a) notify the mortgagor of the new contractual mortgage
13 payment pursuant to Regulation E, 12 C.F.R. Part 1005 and
14 Regulation X, 12 C.F.R. Part 1024 and shall adjust the amount of
15 the mortgagor's recurring payment amount, if any, in accordance
16 with the payment change resulting from the escrow analysis; and
- 17 (b) apply any additional amounts paid by the mortgagor first to
18 any unsatisfied escrow payments and then to the mortgage loan
19 principal, without the imposition of any penalty; and
- 20 (2) the mortgagor may elect to submit a payment or payments to
21 the financial institution to reduce or eliminate any projected escrow
22 shortage. A mortgagor that elects to make additional escrow
23 payments pursuant to this paragraph shall notify the financial
24 institution of their intent to make the payments. The payments shall
25 be treated separately and independent of payments applied to the
26 mortgage loan principal pursuant to this section.
- 27 c. As used in this section:
- 28 "Biweekly" means occurring every two weeks.
- 29 "Contractual mortgage payment" means the total amount of the
30 monthly mortgage loan payment, comprised of the principal
31 payment, interest payment, and any additional amounts being
32 collected and held in an escrow account, including for property
33 taxes and homeowners insurance.
- 34 "Escrow amount" means the amount of any additional funds that
35 are collected by a financial institution pursuant to a mortgage loan
36 and set aside in an escrow account to cover future expenses,
37 including property taxes and homeowners insurance.
- 38 "Financial institution" means a State chartered bank, savings
39 bank, savings and loan association, or credit union, licensed lender,
40 or mortgage servicer subject to the laws of this State.
- 41 "Interest" means the cost to the mortgagor of the mortgage loan,
42 calculated as a percentage of the mortgage loan balance.
- 43 "Mortgage loan" means a loan made to a natural person to whom
44 credit is offered or extended primarily for personal, family or
45 household purposes which is secured by a mortgage constituting a
46 lien on real property located in this State on which there is erected
47 or to be erected a structure containing one, two, three, four, five or

1 six dwelling units, a portion of which structure may be used for
2 nonresidential purposes, in the making of which the financial
3 institution relies primarily upon the value of the property.

4 “Mortgage servicer” means any person, who, for the person or
5 on behalf of a financial institution, receives payments of principal
6 and interest in connection with a mortgage loan, records the
7 payments on the person’s books and records and performs the other
8 administrative functions as may be necessary to properly carry out
9 the mortgage holder’s obligations under the mortgage agreement
10 including, when applicable, the receipt of funds from the mortgagor
11 to be held in escrow for payment of real estate taxes and insurance
12 premiums and the distribution of the funds to the taxing authority
13 and insurance company.

14 “Mortgagor” means a person who borrows money by mortgaging
15 property to a mortgagee as security for a mortgage.

16 “Principal” means the outstanding balance of the original
17 mortgage loan, exclusive of interest.

18 “Semi-monthly” means occurring twice each month.¹

19

20 2. This act shall take effect on the first day of the sixth month
21 next following enactment and shall apply to mortgage agreements
22 entered into on or after that date.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4893

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2024

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 4893.

As amended, this bill requires financial institutions to allow mortgagors to:

(1) for mortgagors who are in good standing on the mortgage:

(a) make biweekly mortgage payments, in which any amount paid in excess of the total annual contractual mortgage payments due shall be applied to the mortgage loan principal; and

(b) make semi-monthly mortgage payments in the amount of half of the total monthly contractual mortgage payment due; and

(2) pay additional amounts to the mortgage loan principal, without the imposition of any penalty.

Pursuant to the bill, if, at the time an escrow analysis is performed, the analysis projects an escrow shortage or otherwise results in an increase to escrow amount payments:

(1) the financial institution is required to notify the mortgagor of the new contractual mortgage payment and adjust the amount of the mortgagor's recurring payment amount; and apply any additional amounts paid by the mortgagor first to any unsatisfied escrow payments and then to the mortgage loan principal, without the imposition of any penalty; and

(2) the mortgagor may elect to submit a payment or payments to the financial institution to reduce or eliminate any projected escrow shortage.

The bill applies to financial institutions regulated by the State, including: State chartered banks, savings banks, savings and loan associations, or credit unions, licensed lenders, or mortgage servicers subject to New Jersey law.

As amended and reported by the committee, Assembly Bill No. 4893 is identical to Senate Bill No. 3525 (2R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) stipulate that the requirement that financial institutions allow mortgagors to make biweekly and semi-monthly payments applies only to mortgagors in good standing;

(2) require a financial institution to take certain actions following an escrow analysis that projects an escrow shortage or otherwise results in an increase to escrow payments;

(3) allow mortgagors with a projected escrow shortage to make separate payments to reduce or eliminate the shortage; and

(4) make certain other technical changes.

Governor Murphy Takes Action on Legislation

Posted on - 05/9/2025

TRENTON – Today, Governor Murphy signed the following bills into law:

S-3199/A-4343 (Timberlake, McKnight/Speight, Atkins, Venezia) - Establishes New Jersey-Haiti Commission

S-3353/A-4501 (Turner, McKnight/Sauickie, Spearman) - Directs State Agriculture Development Committee to adopt agricultural management practice for housing resident farm employees on commercial farms, and establishes such housing as eligible for “Right to Farm” protection

S-3525/A-4893 (Pou, McKnight/McCoy, Speight, Danielsen) - Requires financial institutions to allow mortgagors to make biweekly and semi-monthly payments and payments to mortgage principal

SJR-102/AJR-167 (Turner/Verrelli, Reynolds-Jackson) - Designates May 17 of each year as “Necrotizing Enterocolitis Awareness Day” in New Jersey

SJR-121/AJR-181 (Singleton/Swain, Hutchison, Miller) - Designates May 15 of each year as “Tuberous Sclerosis Complex Awareness Day” in New Jersey