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RH/CL

P.L. 2021, CHAPTER 231, *approved September 24, 2021*

Assembly, No. 5142

1 AN ACT protecting a homeowner in foreclosure from excessively
2 low intervening offer and amending P.L.1954, c.186.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 1 of P.L.1954, c.186 (C.54:5-89.1) is amended to
8 read as follows:

9 1. In any action to foreclose the right of redemption in any
10 property sold for unpaid taxes or other municipal liens, all persons
11 claiming an interest in or an encumbrance or lien upon such
12 property, by or through any conveyance, mortgage, assignment, lien
13 or any instrument which, by any provision of law, could be
14 recorded, registered, entered or filed in any public office in this
15 State, and which shall not be so recorded, registered, entered or
16 filed at the time of the filing of the complaint in such action shall be
17 bound by the proceedings in the action so far as such property is
18 concerned, in the same manner as if **[he]** the person had been made
19 a party to and appeared in such action, and the judgment therein had
20 been made against **[him]** the person as one of the defendants
21 therein; but such person, upon causing such conveyance, mortgage,
22 assignment, lien, claim or other instrument to be recorded,
23 registered, entered or filed as provided by law, may apply to be
24 made a party to such action. No person, however, shall be
25 admitted as a party to such action, nor shall **[he]** the person have
26 the right to redeem the lands from the tax sale whenever it shall
27 appear that **[he]** the person has acquired such interest in the lands
28 for **[a nominal consideration]** less than fair market value after the
29 filing of the complaint, except where such transferee is related by
30 blood or marriage to, or who, because of other close or personal
31 relationship with the transferor, would in normal course be a party
32 to an instrument for little or no consideration, or where such party
33 acquired his interest at a judicial sale.

34 (cf: P.L.1967, c.149, s.1)

35
36 2. This act shall take effect immediately.

37

38

39

STATEMENT

40

41 This bill protects a homeowner in foreclosure from an
42 excessively low intervening offer.

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.

1 This bill amends P.L.1954, c.186 (C.54:5-89.1) to prohibit a
2 person who has acquired an interest in a parcel of real property for
3 less than the fair market value of that property, after the filing of the
4 foreclosure complaint, from being admitted as a party to the
5 foreclosure action and also from exercising the right of redemption.
6 Under current law, an individual is prohibited from exercising the
7 right of redemption after acquiring an interest in land for a nominal
8 consideration after the filing of the foreclosure complaint.

9

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11

12

13 Protects homeowner in foreclosure from excessively low
14 intervening offer.

CHAPTER 231

AN ACT protecting a homeowner in foreclosure from excessively low intervening offer and amending P.L.1954, c.186.

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

1. Section 1 of P.L.1954, c.186 (C.54:5-89.1) is amended to read as follows:

C.54:5-89.1 Effect of judgment on unrecorded interests; application by person recording interest to be made party

1. In any action to foreclose the right of redemption in any property sold for unpaid taxes or other municipal liens, all persons claiming an interest in or an encumbrance or lien upon such property, by or through any conveyance, mortgage, assignment, lien or any instrument which, by any provision of law, could be recorded, registered, entered or filed in any public office in this State, and which shall not be so recorded, registered, entered or filed at the time of the filing of the complaint in such action shall be bound by the proceedings in the action so far as such property is concerned, in the same manner as if the person had been made a party to and appeared in such action, and the judgment therein had been made against the person as one of the defendants therein; but such person, upon causing such conveyance, mortgage, assignment, lien, claim or other instrument to be recorded, registered, entered or filed as provided by law, may apply to be made a party to such action. No person, however, shall be admitted as a party to such action, nor shall the person have the right to redeem the lands from the tax sale whenever it shall appear that the person has acquired such interest in the lands for less than fair market value after the filing of the complaint, except where such transferee is related by blood or marriage to, or who, because of other close or personal relationship with the transferor, would in normal course be a party to an instrument for little or no consideration, or where such party acquired his interest at a judicial sale.

2. This act shall take effect immediately.

Approved September 24, 2021.

ASSEMBLY, No. 5142

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 14, 2020

Sponsored by:

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

Senator TROY SINGLETON

District 7 (Burlington)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

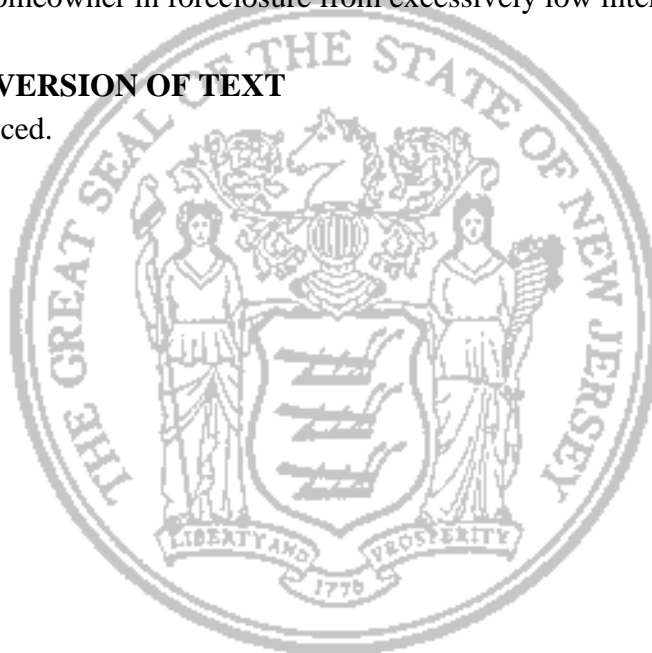
Assemblywomen McKnight, Vainieri Huttle and Senator Gopal

SYNOPSIS

Protects homeowner in foreclosure from excessively low intervening offer.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/3/2021)

A5142 WIMBERLY, JASEY

2

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2 low intervening offer and amending P.L.1954, c.186.

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11 claiming an interest in or an encumbrance or lien upon such
12 property, by or through any conveyance, mortgage, assignment, lien
13 or any instrument which, by any provision of law, could be
14 recorded, registered, entered or filed in any public office in this
15 State, and which shall not be so recorded, registered, entered or
16 filed at the time of the filing of the complaint in such action shall be
17 bound by the proceedings in the action so far as such property is
18 concerned, in the same manner as if **[he]** the person had been made
19 a party to and appeared in such action, and the judgment therein had
20 been made against **[him]** the person as one of the defendants
21 therein; but such person, upon causing such conveyance, mortgage,
22 assignment, lien, claim or other instrument to be recorded,
23 registered, entered or filed as provided by law, may apply to be
24 made a party to such action. No person, however, shall be
25 admitted as a party to such action, nor shall **[he]** the person have
26 the right to redeem the lands from the tax sale whenever it shall
27 appear that **[he]** the person has acquired such interest in the lands
28 for **[a nominal consideration]** less than fair market value after the
29 filing of the complaint, except where such transferee is related by
30 blood or marriage to, or who, because of other close or personal
31 relationship with the transferor, would in normal course be a party
32 to an instrument for little or no consideration, or where such party
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STATEMENT

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41 This bill protects a homeowner in foreclosure from an
42 excessively low intervening offer.

43 This bill amends P.L.1954, c.186 (C.54:5-89.1) to prohibit a
44 person who has acquired an interest in a parcel of real property for

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Matter underlined thus is new matter.

A5142 WIMBERLY, JASEY

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1 less than the fair market value of that property, after the filing of the
2 foreclosure complaint, from being admitted as a party to the
3 foreclosure action and also from exercising the right of redemption.
4 Under current law, an individual is prohibited from exercising the
5 right of redemption after acquiring an interest in land for a nominal
6 consideration after the filing of the foreclosure complaint.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5142

STATE OF NEW JERSEY

DATED: JANUARY 13, 2021

The Assembly Housing Committee reports favorably Assembly Bill No. 5142.

This bill protects a homeowner in foreclosure from an excessively low intervening offer.

This bill amends P.L.1954, c.186 (C.54:5-89.1) to prohibit a person who has acquired an interest in a parcel of real property for less than the fair market value of that property, after the filing of the foreclosure complaint, from being admitted as a party to the foreclosure action and also from exercising the right of redemption. Under current law, an individual is prohibited from exercising the right of redemption after acquiring an interest in land for a nominal consideration after the filing of the foreclosure complaint.

SENATE, No. 3373

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JANUARY 21, 2021

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Senator Gopal

SYNOPSIS

Protects homeowner in foreclosure from excessively low intervening offer.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/3/2021)

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11 claiming an interest in or an encumbrance or lien upon such
12 property, by or through any conveyance, mortgage, assignment, lien
13 or any instrument which, by any provision of law, could be
14 recorded, registered, entered or filed in any public office in this
15 State, and which shall not be so recorded, registered, entered or
16 filed at the time of the filing of the complaint in such action shall be
17 bound by the proceedings in the action so far as such property is
18 concerned, in the same manner as if **[he]** the person had been made
19 a party to and appeared in such action, and the judgment therein had
20 been made against **[him]** the person as one of the defendants
21 therein; but such person, upon causing such conveyance, mortgage,
22 assignment, lien, claim or other instrument to be recorded,
23 registered, entered or filed as provided by law, may apply to be
24 made a party to such action. No person, however, shall be
25 admitted as a party to such action, nor shall **[he]** the person have
26 the right to redeem the lands from the tax sale whenever it shall
27 appear that **[he]** the person has acquired such interest in the lands
28 for **[a nominal consideration]** less than fair market value after the
29 filing of the complaint, except where such transferee is related by
30 blood or marriage to, or who, because of other close or personal
31 relationship with the transferor, would in normal course be a party
32 to an instrument for little or no consideration, or where such party
33 acquired his interest at a judicial sale.

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44 person who has acquired an interest in a parcel of real property for
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Matter underlined thus is new matter.

S3373 SINGLETON, TURNER

3

- 1 foreclosure complaint, from being admitted as a party to the
- 2 foreclosure action and also from exercising the right of redemption.
- 3 Under current law, an individual is prohibited from exercising the
- 4 right of redemption after acquiring an interest in land for a nominal
- 5 consideration after the filing of the foreclosure complaint.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3373

STATE OF NEW JERSEY

DATED: FEBRUARY 9, 2021

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 3373.

This bill amends P.L.1954, c.186 (C.54:5-89.1) to prohibit a person who has acquired an interest in a parcel of real property for less than the fair market value of that property, after the filing of a tax sale foreclosure complaint, from being admitted as a party to the foreclosure action and also from exercising the right of redemption. Under current law, such person is prohibited from being admitted to the foreclosure action and exercising the right of redemption if they acquired an interest in the property for only nominal consideration after the filing of the foreclosure complaint.

Governor Murphy Takes Action on Legislation

09/24/2021

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

S-225/A-679 (Diegnan, Turner/Vainieri Huttie, Mukherji, Jasey) – Provides that student-athlete who sustains concussion must return to regular school activities prior to return to competition; requires school districts to implement six-step return-to-competition process

S-985/A-3789 (Singleton/Moen, Zwicker, Jasey) – Provides that public institutions of higher education may only reduce student's institutional financial aid upon receipt of private scholarship under certain circumstances

S-2826/A-4594 (Ruiz, Cunningham/Quijano, Lampitt, Reynolds-Jackson) – Directs DOE to establish five-year pilot program for issuance of limited certificate of eligibility with advanced standing and limited certificate of eligibility for certain teacher candidates

S-3618/ACS for A-5778 (Pennacchio, Oroho, A.M. Bucco/Tucker, Houghtaling, Wirths, Burzichelli) – Makes supplemental appropriation of \$10 million for grants for certain lake management activities for recreation and conservation purposes

S-3780/A-5785 (Lagana, Sarlo/Mazzeo) – Permits prosecutors to enroll in Prosecutors Part of PERS

A-1091/S-2056 (Murphy, Vainieri Huttie, Wirths/Beach, Oroho) – Requires Division of Travel and Tourism to advertise and promote tours of breweries in the State

A-2617/S-2998 (Murphy, Benson, Reynolds-Jackson/Lagana, Gopal) – Requires employers to provide hiring preference to employees who have reached maximum medical improvement following work related injury

A-4205/S-2506 (Greenwald, Lampitt, Conaway/Gopal, Turner) – Enters New Jersey into Psychology Interjurisdictional Compact

A-4881/S-3744 (Greenwald, Mazzeo/Beach) – Prohibits appeal of land use decision related to holding meeting electronically

A-5142/S-3373 (Wimberly, Jasey, Holley/Singleton, Turner) – Protects homeowner in foreclosure from excessively low intervening offer

A-5683/S-3869 (Reynolds-Jackson, Wimberly/Turner, Pou) – Modifies Garden State Growth Zone tax exemption program