

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

Murphy signs bills aimed at helping those facing foreclosure
Associated Press State Wire: New Jersey (NJ) - April 29, 2019

Murphy Signs Bills Targeting State's Foreclosure Crisis
New Jersey Law Journal, April 30, 2019

Murphy signs 9 bills to alleviate NJ foreclosure crisis
NJBIZ (New Brunswick, NJ) - April 30, 2019

Murphy takes aim at state's foreclosure rate
Star-Ledger, The (Newark, NJ) - April 30, 2019

Murphy signs foreclosure laws in A.C. - Murphy signs foreclosure package in Atlantic City
Press of Atlantic City, The (NJ) - April 30, 2019

Murphy acts to combat foreclosure crisis
Burlington County Times (Willingboro, NJ) - April 30, 2019

Gov. takes aim at N.J. foreclosures
Hunterdon County Democrat (Flemington, NJ) - May 2, 2019

Foreclosure bill signed into law - Trenton. Gov. Phil Murphy signs measure that will tackle surge in New Jersey's foreclosures and streamline pending cases.
Advertiser-News, The (Sussex County, NJ) - May 10, 2019

Also of possible interest to researchers:

Public hearing before Assembly Housing and Community Development Committee: the Committee will receive testimony from invited guests and the public concerning foreclosures and vacant properties in the State [September 20, 2018, Union, New Jersey]
Call number 974.90 H842, 2018b
Available online at <http://hdl.handle.net/10929/49433>

RWH/JA

P.L. 2019, CHAPTER 69, *approved April 29, 2019*

Senate, No. 3411 (*Second Reprint*)

1 AN ACT concerning residential mortgage foreclosure and amending
2 and supplementing P.L.1995, c.244.

3

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

6

7 1. Section 4 of P.L.1995, c.244 (C.2A:50-56) is amended to
8 read as follows:

9 4. a. Upon failure to perform any obligation of a residential
10 mortgage by the residential mortgage debtor and before any
11 residential mortgage lender may accelerate the maturity of any
12 residential mortgage obligation and commence any foreclosure or
13 other legal action to take possession of the residential property
14 which is the subject of the mortgage, the residential mortgage
15 lender shall give the residential mortgage debtor notice of such
16 intention ^{1, 1} which shall include a notice of the right to cure the
17 default as provided in section 5 of P.L.1995, c.244 (C.2A:50-57) ^{1, 1}
18 at least 30 days, but not more than 180 days, in advance of such
19 action as provided in this section.

20 b. Notice of intention to take action as specified in subsection
21 a. of this section shall be in writing, sent to the debtor by registered
22 or certified mail, return receipt requested, at the debtor's last known
23 address, and, if different, to the address of the property which is the
24 subject of the residential mortgage. The notice is deemed to have
25 been effectuated on the date the notice is delivered in person or
26 mailed to the party.

27 c. The written notice shall clearly and conspicuously state in a
28 manner calculated to make the debtor aware of the situation:

29 (1) the particular obligation or real estate security interest;

30 (2) the nature of the default claimed;

31 (3) the right of the debtor to cure the default as provided in
32 section 5 of **[this act]** P.L.1995, c.244 (C.2A:50-57);

33 (4) what performance, including what sum of money, if any, and
34 interest, shall be tendered to cure the default as of the date specified
35 under paragraph (5) of this subsection c.;

36 (5) the date by which the debtor shall cure the default to avoid
37 initiation of foreclosure proceedings, which date shall not be less
38 than 30 days after the date the notice is effective, and the name 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 floor amendments adopted February 21, 2019.

²Assembly floor amendments adopted March 25, 2019.

1 address and phone number of a person to whom the payment or
2 tender shall be made;

3 (6) that if the debtor does not cure the default by the date
4 specified under paragraph (5) of this subsection c., the lender may
5 take steps to terminate the debtor's ownership in the property by
6 commencing a foreclosure suit in a court of competent jurisdiction;

7 (7) that if the lender takes the steps indicated pursuant to
8 paragraph (6) of this subsection c., a debtor shall still have the right
9 to cure the default pursuant to section 5 of **[this act]** P.L.1995,
10 c.244 (C.2A:50-57), but that the debtor shall be responsible for the
11 lender's court costs and attorneys' fees in an amount not to exceed
12 that amount permitted pursuant to the Rules Governing the Courts
13 of the State of New Jersey;

14 (8) the right, if any, of the debtor to transfer the real estate to
15 another person subject to the security interest and that the transferee
16 may have the right to cure the default as provided in **[this act]**
17 P.L.1995, c.244 (C.2A:50-53 et seq.), subject to the mortgage
18 documents;

19 (9) that the debtor is advised to seek counsel from an attorney of
20 the debtor's own choosing concerning the debtor's residential
21 mortgage default situation, and that, if the debtor is unable to obtain
22 an attorney, the debtor may communicate with the New Jersey Bar
23 Association or Lawyer Referral Service in the county in which the
24 residential property securing the mortgage loan is located; and that,
25 if the debtor is unable to afford an attorney, the debtor may
26 communicate with the Legal Services Office in the county in which
27 the property is located;

28 (10) the possible availability of financial assistance for curing a
29 default from programs operated by the State or federal government
30 or nonprofit organizations, if any, as identified by the
31 Commissioner of Banking and Insurance. This requirement shall be
32 satisfied by attaching a list of such programs promulgated by the
33 commissioner; **[and]**

34 (11) the name and address of the lender and the telephone
35 number of a representative of the lender whom the debtor may
36 contact if the debtor disagrees with the lender's assertion that a
37 default has occurred or the correctness of the mortgage lender's
38 calculation of the amount required to cure the default; ²**[and]**²

39 (12) that the debtor is entitled to housing counseling, at no cost
40 to the debtor, through the Foreclosure Mediation Program
41 established by the New Jersey Judiciary, including information on
42 how to contact the program ²; and

43 (13) that if the property which is the subject of the mortgage
44 has more than one dwelling unit but less than five, one of which is
45 occupied by the debtor or a member of the debtor's immediate
46 family as the debtor's or member's residence at the time the loan is
47 originated, and is not properly maintained and meets the necessary

1 conditions for receivership eligibility, established pursuant to
2 section 4 of the “Multifamily Housing Preservation and
3 Receivership Act,” P.L.2003, c.295 (C.2A:42-117), the residential
4 mortgage lender shall file an order to show cause to appoint a
5 receiver².

6 d. The notice of intention to foreclose required to be provided
7 pursuant to this section shall not be required if the debtor has
8 voluntarily surrendered the property which is the subject of the
9 residential mortgage.

10 e. The duty of the lender under this section to serve notice of
11 intention to foreclose is independent of any other duty to give
12 notice under the common law, principles of equity, State or federal
13 statute, or rule of court and of any other right or remedy the debtor
14 may have as a result of the failure to give such notice.

15 f. Compliance with this section shall be set forth in the
16 pleadings of any legal action referred to in this section. If the
17 plaintiff in any complaint seeking foreclosure of a residential
18 mortgage alleges that the property subject to the residential
19 mortgage has been abandoned or voluntarily surrendered, the
20 plaintiff shall plead the specific facts upon which this allegation is
21 based.

22 g. If more than 180 days have elapsed since the date the notice
23 required pursuant to this section is sent, and any foreclosure or
24 other legal action to take possession of the residential property
25 which is the subject of the mortgage has not yet been commenced,
26 the lender shall send a new written notice at least 30 days, but not
27 more than 180 days, in advance of that action.

28 ²h. If the property which is the subject of the notice of intention
29 to foreclose has more than one dwelling unit but less than five, one
30 of which is occupied by the debtor or a member of the debtor’s
31 immediate family as the debtor’s or member’s residence at the time
32 the loan is originated, and is not properly maintained and meets the
33 necessary conditions for receivership eligibility, established
34 pursuant to section 4 of the “Multifamily Housing Preservation and
35 Receivership Act,” P.L.2003, c.295 (C.2A:42-117), the residential
36 mortgage lender shall file an order to show cause to appoint a
37 receiver.²

38 (cf: P.L.2003, c.298, s.1)

39
40 2. (New section) a. If a plaintiff’s action to foreclose a
41 residential mortgage has been dismissed without prejudice pursuant
42 to R.4:64-8 of the Rules Governing the Courts of New Jersey of the
43 State of New Jersey, reinstatement of the plaintiff’s action may be
44 permitted only on motion for good cause shown ¹[and
45 reinstatements]. Reinstatements¹ shall be limited to three for any
46 action ¹, except that a reinstatement which is granted following a
47 dismissal without prejudice that resulted from the plaintiff’s

1 compliance with federal law or regulation shall not count toward
2 the limit established by this subsection¹. The fee for a plaintiff to
3 reinstate a residential mortgage foreclosure action shall be twice the
4 amount set ¹**【by the Administrative Office of the Courts】**¹ for filing
5 a foreclosure complaint. The plaintiff shall not charge or otherwise
6 pass a reinstatement fee onto the debtor or any other person.

7 b. The amounts paid by plaintiffs for reinstating a mortgage
8 pursuant to subsection a. of this section, that are over and above the
9 amounts set ¹**【by the Administrative Office of the Courts】**¹ for
10 filing a foreclosure complaint, shall be aggregated and divided
11 equally on an annual basis, with one-half dedicated to the New
12 Jersey Housing and Mortgage Finance Agency for the purposes of
13 funding the counseling component provided by the agency for the
14 New Jersey Judiciary's Foreclosure Mediation Program, and one-
15 half dedicated to the Administrative Office of the Courts for the
16 general operations provided by the office for the New Jersey
17 Judiciary's Foreclosure Mediation Program.

18
19 3. This act shall take effect on the first day of the fourth month
20 next after enactment.

21
22
23
24

25 Requires receivership appointment application prior to certain
26 foreclosure actions; requires notice of intention to foreclosure on
27 residential mortgage to be filed within 180 days prior to
28 commencing foreclosure; limits reinstatements of dismissed
29 mortgage foreclosure actions.

SENATE, No. 3411

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 31, 2019

Sponsored by:

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Senator TROY SINGLETON

District 7 (Burlington)

Senator DAWN MARIE ADDIEGO

District 8 (Atlantic, Burlington and Camden)

SYNOPSIS

Requires notice of intention in residential mortgage foreclosure actions to be filed no more than 180 days prior to commencing foreclosure; limits reinstatements of dismissed mortgage foreclosure actions.

CURRENT VERSION OF TEXT

As introduced.



S3411 OROHO, SINGLETON

2

1 AN ACT concerning residential mortgage foreclosure and amending
2 and supplementing P.L.1995, c.244.

3

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

6

7 1. Section 4 of P.L.1995, c.244 (C.2A:50-56) is amended to
8 read as follows:

9 4. a. Upon failure to perform any obligation of a residential
10 mortgage by the residential mortgage debtor and before any
11 residential mortgage lender may accelerate the maturity of any
12 residential mortgage obligation and commence any foreclosure or
13 other legal action to take possession of the residential property
14 which is the subject of the mortgage, the residential mortgage
15 lender shall give the residential mortgage debtor notice of such
16 intention which shall include a notice of the right to cure the default
17 as provided in section 5 of P.L.1995, c.244 (C.2A:50-57) at least 30
18 days, but not more than 180 days, in advance of such action as
19 provided in this section.

20 b. Notice of intention to take action as specified in subsection
21 a. of this section shall be in writing, sent to the debtor by registered
22 or certified mail, return receipt requested, at the debtor's last known
23 address, and, if different, to the address of the property which is the
24 subject of the residential mortgage. The notice is deemed to have
25 been effectuated on the date the notice is delivered in person or
26 mailed to the party.

27 c. The written notice shall clearly and conspicuously state in a
28 manner calculated to make the debtor aware of the situation:

29 (1) the particular obligation or real estate security interest;

30 (2) the nature of the default claimed;

31 (3) the right of the debtor to cure the default as provided in
32 section 5 of **[this act]** P.L.1995, c.244 (C.2A:50-57);

33 (4) what performance, including what sum of money, if any, and
34 interest, shall be tendered to cure the default as of the date specified
35 under paragraph (5) of this subsection c.;

36 (5) the date by which the debtor shall cure the default to avoid
37 initiation of foreclosure proceedings, which date shall not be less
38 than 30 days after the date the notice is effective, and the name and
39 address and phone number of a person to whom the payment or
40 tender shall be made;

41 (6) that if the debtor does not cure the default by the date
42 specified under paragraph (5) of this subsection c., the lender may
43 take steps to terminate the debtor's ownership in the property by
44 commencing a foreclosure suit in a court of competent jurisdiction;

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 (7) that if the lender takes the steps indicated pursuant to
2 paragraph (6) of this subsection c., a debtor shall still have the right
3 to cure the default pursuant to section 5 of **[this act]** P.L.1995,
4 c.244 (C.2A:50-57), but that the debtor shall be responsible for the
5 lender's court costs and attorneys' fees in an amount not to exceed
6 that amount permitted pursuant to the Rules Governing the Courts
7 of the State of New Jersey;

8 (8) the right, if any, of the debtor to transfer the real estate to
9 another person subject to the security interest and that the transferee
10 may have the right to cure the default as provided in **[this act]**
11 P.L.1995, c.244 (C.2A:50-53 et seq.), subject to the mortgage
12 documents;

13 (9) that the debtor is advised to seek counsel from an attorney of
14 the debtor's own choosing concerning the debtor's residential
15 mortgage default situation, and that, if the debtor is unable to obtain
16 an attorney, the debtor may communicate with the New Jersey Bar
17 Association or Lawyer Referral Service in the county in which the
18 residential property securing the mortgage loan is located; and that,
19 if the debtor is unable to afford an attorney, the debtor may
20 communicate with the Legal Services Office in the county in which
21 the property is located;

22 (10) the possible availability of financial assistance for curing a
23 default from programs operated by the State or federal government
24 or nonprofit organizations, if any, as identified by the
25 Commissioner of Banking and Insurance. This requirement shall be
26 satisfied by attaching a list of such programs promulgated by the
27 commissioner; **[and]**

28 (11) the name and address of the lender and the telephone
29 number of a representative of the lender whom the debtor may
30 contact if the debtor disagrees with the lender's assertion that a
31 default has occurred or the correctness of the mortgage lender's
32 calculation of the amount required to cure the default; and

33 (12) that the debtor is entitled to housing counseling, at no cost
34 to the debtor, through the Foreclosure Mediation Program
35 established by the New Jersey Judiciary, including information on
36 how to contact the program.

37 d. The notice of intention to foreclose required to be provided
38 pursuant to this section shall not be required if the debtor has
39 voluntarily surrendered the property which is the subject of the
40 residential mortgage.

41 e. The duty of the lender under this section to serve notice of
42 intention to foreclose is independent of any other duty to give
43 notice under the common law, principles of equity, State or federal
44 statute, or rule of court and of any other right or remedy the debtor
45 may have as a result of the failure to give such notice.

46 f. Compliance with this section shall be set forth in the
47 pleadings of any legal action referred to in this section. If the
48 plaintiff in any complaint seeking foreclosure of a residential

1 mortgage alleges that the property subject to the residential
2 mortgage has been abandoned or voluntarily surrendered, the
3 plaintiff shall plead the specific facts upon which this allegation is
4 based.

5 g. If more than 180 days have elapsed since the date the notice
6 required pursuant to this section is sent, and any foreclosure or
7 other legal action to take possession of the residential property
8 which is the subject of the mortgage has not yet been commenced,
9 the lender shall send a new written notice at least 30 days, but not
10 more than 180 days, in advance of that action.

11 (cf: P.L.2003, c.298, s.1)

12

13 2. (New section) a. If a plaintiff's action to foreclose a
14 residential mortgage has been dismissed without prejudice pursuant
15 to R.4:64-8 of the Rules Governing the Courts of New Jersey of the
16 State of New Jersey, reinstatement of the plaintiff's action may be
17 permitted only on motion for good cause shown and reinstatements
18 shall be limited to three for any action. The fee for a plaintiff to
19 reinstate a residential mortgage foreclosure action shall be twice the
20 amount set by the Administrative Office of the Courts for filing a
21 foreclosure complaint. The plaintiff shall not charge or otherwise
22 pass a reinstatement fee onto the debtor or any other person.

23 b. The amounts paid by plaintiffs for reinstating a mortgage
24 pursuant to subsection a. of this section, that are over and above the
25 amounts set by the Administrative Office of the Courts for filing a
26 foreclosure complaint, shall be aggregated and divided equally on
27 an annual basis, with one-half dedicated to the New Jersey Housing
28 and Mortgage Finance Agency for the purposes of funding the
29 counseling component provided by the agency for the New Jersey
30 Judiciary's Foreclosure Mediation Program, and one-half dedicated
31 to the Administrative Office of the Courts for the general operations
32 provided by the office for the New Jersey Judiciary's Foreclosure
33 Mediation Program.

34

35 3. This act shall take effect on the first day of the fourth month
36 next after enactment.

37

38

39

STATEMENT

40

41 This bill revises the "Fair Foreclosure Act," P.L.1995, c.244
42 (C.2A:50-53 et seq.) to require that a notice of intention to
43 foreclose, including a notice of the right to cure the default, which
44 currently must be sent at least 30 days in advance of a residential
45 mortgage lender commencing foreclosure or other legal action to
46 take possession of a residential property, shall not be sent more than
47 180 days in advance of taking that action.

1 Specifically, the bill provides that, if more than 180 days have
2 elapsed since the date the notice of intent to foreclose is sent, and
3 any foreclosure or other legal action to take possession of the
4 residential property has not yet been commenced, a new notice shall
5 be sent at least 30 days, but not more than 180 days, in advance of
6 that action.

7 The bill also requires the notice of intention to foreclose to
8 include notice that the debtor is entitled to housing counseling, at
9 no cost to the debtor, through the Foreclosure Mediation Program
10 established by the New Jersey Judiciary, including information on
11 how to contact the program.

12 The bill also provides that if a plaintiff's action to foreclose a
13 residential mortgage has been dismissed without prejudice pursuant
14 to R.4:64-8 of the Rules Governing the Courts of New Jersey of the
15 State of New Jersey, reinstatement of the plaintiff's action may be
16 permitted only on motion for good cause shown and reinstatements
17 shall be limited to three for any action. The fee for a plaintiff to
18 reinstate a residential mortgage foreclosure action shall be twice the
19 amount set by the Administrative Office of the Courts for filing a
20 foreclosure complaint. The plaintiff shall not charge or otherwise
21 pass a reinstatement fee onto the debtor or any other person.

22 The bill also provides that the amounts paid by plaintiffs for
23 reinstating a mortgage, that are over and above the amounts set by
24 the Administrative Office of the Courts for filing a foreclosure
25 complaint, shall be aggregated and divided equally on an annual
26 basis, with one-half dedicated to the New Jersey Housing and
27 Mortgage Finance Agency for the purposes of funding the
28 counseling component provided by the agency for the New Jersey
29 Judiciary's Foreclosure Mediation Program, and one-half dedicated
30 to the Administrative Office of the Courts for the general operations
31 provided by the office for the New Jersey Judiciary's Foreclosure
32 Mediation Program.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3411

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2019

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 3411.

This bill revises the “Fair Foreclosure Act,” P.L.1995, c.244 (C.2A:50-53 et seq.) to require that a notice of intention to foreclose, including a notice of the right to cure the default, which currently must be sent at least 30 days in advance of a residential mortgage lender commencing a foreclosure or other legal action to take possession of a residential property, be sent no more than 180 days in advance of taking that action. If more than 180 days have elapsed since the date the notice of intention to foreclose is sent, and a foreclosure or other legal action to take possession of the residential property has not yet commenced, a new notice would have to be sent at least 30 days, but not more than 180 days, in advance of that action.

The bill also requires the notice of intention to foreclose to include notice that the debtor is entitled to housing counseling, at no cost to the debtor, through the Foreclosure Mediation Program established by the New Jersey Judiciary, including information on how to contact the program.

The bill also provides that if a plaintiff’s action to foreclose a residential mortgage has been dismissed without prejudice pursuant to R.4:64-8 of the Rules Governing the Courts of New Jersey of the State of New Jersey, reinstatement of the plaintiff’s action may be permitted only on motion for good cause shown and reinstatements would be limited to three for any action. The fee for a plaintiff to reinstate a residential mortgage foreclosure action would be twice the amount set by the Administrative Office of the Courts for filing a foreclosure complaint. The plaintiff would not be able to charge or otherwise pass a reinstatement fee onto the debtor or any other person.

The bill also provides that the amounts paid by plaintiffs for reinstating a mortgage, that are over and above the amounts set by the Administrative Office of the Courts for filing a foreclosure complaint, have to be aggregated and divided equally on an annual basis, with one-half dedicated to the New Jersey Housing and Mortgage Finance Agency for the purposes of funding the counseling component provided by the agency for the New Jersey Judiciary’s Foreclosure Mediation Program, and one-half dedicated to the Administrative Office of the Courts for the general operations provided by the office for the New Jersey Judiciary’s Foreclosure Mediation Program.

STATEMENT TO
SENATE, No. 3411

with Senate Floor Amendments
(Proposed by Senator OROHO)

ADOPTED: FEBRUARY 21, 2019

These floor amendments provide that any reinstatement of a foreclosure action which is granted following a dismissal without prejudice that resulted from the plaintiff's compliance with federal law or regulation would not count toward the limit of three reinstatements. In addition, the amendments remove reference to the Administrative Office of the Courts as the entity that is responsible for setting the foreclosure complaint filing fee. The amendments also provide technical changes to the bill.

STATEMENT TO
[First Reprint]
SENATE, No. 3411

with Assembly Floor Amendments
(Proposed by Assemblywoman MCKNIGHT)

ADOPTED: MARCH 25, 2019

These floor amendments provide that a residential mortgage lender would be required to apply to appoint a receiver if the property subject to a notice of intention to foreclose has between two and four dwelling units, one dwelling unit was occupied by the debtor or a member of their immediate family upon the origination of the loan, and the property meets the necessary conditions for receivership under the “Multifamily Housing Preservation and Receivership Act,” P.L.2003, c.295 (C.2A:42-117). The amendments also require the residential mortgage lender to notify the debtor of the potential requirement for the lender to apply to appoint a receiver.

As amended, the bill would be identical to Assembly Bill No. 5003 (1R), which was reported by the Assembly Housing and Community Development Committee with amendments on March 7, 2019.

ASSEMBLY, No. 5003

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 7, 2019

Sponsored by:

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Co-Sponsored by:

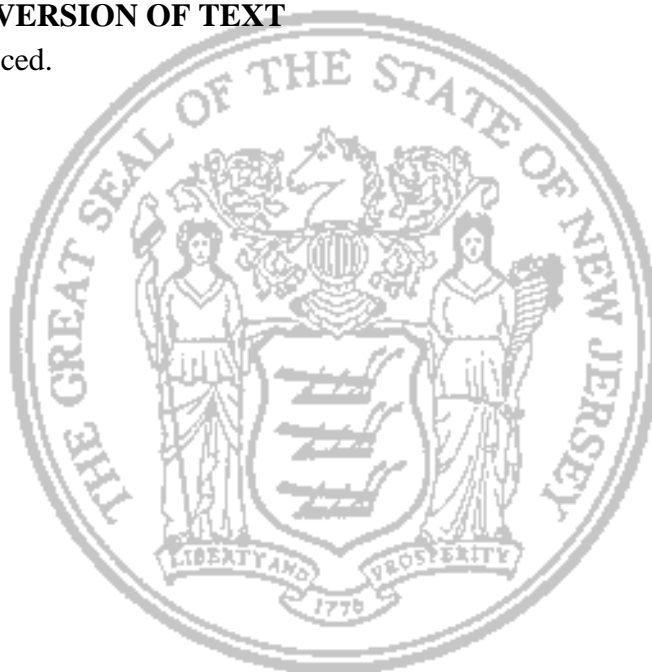
Assemblywoman Murphy

SYNOPSIS

Requires notice of intention in residential mortgage foreclosure actions to be filed no more than 180 days prior to commencing foreclosure; limits reinstatements of dismissed mortgage foreclosure actions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/6/2019)

A5003 MCKNIGHT, MORIARTY

2

1 AN ACT concerning residential mortgage foreclosure and amending
2 and supplementing P.L.1995, c.244.

3

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

6

7 1. Section 4 of P.L.1995, c.244 (C.2A:50-56) is amended to
8 read as follows:

9 4. a. Upon failure to perform any obligation of a residential
10 mortgage by the residential mortgage debtor and before any
11 residential mortgage lender may accelerate the maturity of any
12 residential mortgage obligation and commence any foreclosure or
13 other legal action to take possession of the residential property
14 which is the subject of the mortgage, the residential mortgage
15 lender shall give the residential mortgage debtor notice of such
16 intention, which shall include a notice of the right to cure the
17 default as provided in section 5 of P.L.1995, c.244 (C.2A:50-57), at
18 least 30 days, but not more than 180 days, in advance of such action
19 as provided in this section.

20 b. Notice of intention to take action as specified in subsection
21 a. of this section shall be in writing, sent to the debtor by registered
22 or certified mail, return receipt requested, at the debtor's last known
23 address, and, if different, to the address of the property which is the
24 subject of the residential mortgage. The notice is deemed to have
25 been effectuated on the date the notice is delivered in person or
26 mailed to the party.

27 c. The written notice shall clearly and conspicuously state in a
28 manner calculated to make the debtor aware of the situation:

29 (1) the particular obligation or real estate security interest;

30 (2) the nature of the default claimed;

31 (3) the right of the debtor to cure the default as provided in
32 section 5 of **[this act]** P.L.1995, c.244 (C.2A:50-57);

33 (4) what performance, including what sum of money, if any, and
34 interest, shall be tendered to cure the default as of the date specified
35 under paragraph (5) of this subsection c.;

36 (5) the date by which the debtor shall cure the default to avoid
37 initiation of foreclosure proceedings, which date shall not be less
38 than 30 days after the date the notice is effective, and the name and
39 address and phone number of a person to whom the payment or
40 tender shall be made;

41 (6) that if the debtor does not cure the default by the date
42 specified under paragraph (5) of this subsection c., the lender may
43 take steps to terminate the debtor's ownership in the property by
44 commencing a foreclosure suit in a court of competent jurisdiction;

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 (7) that if the lender takes the steps indicated pursuant to
2 paragraph (6) of this subsection c., a debtor shall still have the right
3 to cure the default pursuant to section 5 of **[this act]** P.L.1995,
4 c.244 (C.2A:50-57), but that the debtor shall be responsible for the
5 lender's court costs and attorneys' fees in an amount not to exceed
6 that amount permitted pursuant to the Rules Governing the Courts
7 of the State of New Jersey;

8 (8) the right, if any, of the debtor to transfer the real estate to
9 another person subject to the security interest and that the transferee
10 may have the right to cure the default as provided in **[this act]**
11 P.L.1995, c.244 (C.2A:50-53 et seq.), subject to the mortgage
12 documents;

13 (9) that the debtor is advised to seek counsel from an attorney of
14 the debtor's own choosing concerning the debtor's residential
15 mortgage default situation, and that, if the debtor is unable to obtain
16 an attorney, the debtor may communicate with the New Jersey Bar
17 Association or Lawyer Referral Service in the county in which the
18 residential property securing the mortgage loan is located; and that,
19 if the debtor is unable to afford an attorney, the debtor may
20 communicate with the Legal Services Office in the county in which
21 the property is located;

22 (10) the possible availability of financial assistance for curing a
23 default from programs operated by the State or federal government
24 or nonprofit organizations, if any, as identified by the
25 Commissioner of Banking and Insurance. This requirement shall be
26 satisfied by attaching a list of such programs promulgated by the
27 commissioner; and

28 (11) the name and address of the lender and the telephone
29 number of a representative of the lender whom the debtor may
30 contact if the debtor disagrees with the lender's assertion that a
31 default has occurred or the correctness of the mortgage lender's
32 calculation of the amount required to cure the default.

33 d. The notice of intention to foreclose required to be provided
34 pursuant to this section shall not be required if the debtor has
35 voluntarily surrendered the property which is the subject of the
36 residential mortgage.

37 e. The duty of the lender under this section to serve notice of
38 intention to foreclose is independent of any other duty to give
39 notice under the common law, principles of equity, State or federal
40 statute, or rule of court and of any other right or remedy the debtor
41 may have as a result of the failure to give such notice.

42 f. Compliance with this section shall be set forth in the
43 pleadings of any legal action referred to in this section. If the
44 plaintiff in any complaint seeking foreclosure of a residential
45 mortgage alleges that the property subject to the residential
46 mortgage has been abandoned or voluntarily surrendered, the
47 plaintiff shall plead the specific facts upon which this allegation is
48 based.

1 be sent at least 30 days, but not more than 180 days, in advance of
2 that action.

3 The bill also provides that if a plaintiff's action to foreclose a
4 residential mortgage has been dismissed without prejudice pursuant
5 to R.4:64-8 of the Rules Governing the Courts of New Jersey of the
6 State of New Jersey, reinstatement of the plaintiff's action may be
7 permitted only on motion for good cause shown and reinstatements
8 shall be limited to three for any action. The fee for a plaintiff to
9 reinstate a residential mortgage foreclosure action shall be twice the
10 amount set by the Administrative Office of the Courts for filing a
11 foreclosure complaint. The plaintiff shall not charge or otherwise
12 pass a reinstatement fee onto the debtor or any other person.

13 The bill also provides that the amounts paid by plaintiffs for
14 reinstating a mortgage, that are over and above the amounts set by
15 the Administrative Office of the Courts for filing a foreclosure
16 complaint, shall be aggregated and divided equally on an annual
17 basis, with one-half dedicated to the New Jersey Housing and
18 Mortgage Finance Agency for the purposes of funding the
19 counseling component provided by the agency for the New Jersey
20 Judiciary's Foreclosure Mediation Program, and one-half dedicated
21 to the Administrative Office of the Courts for the general operations
22 provided by the office for the New Jersey Judiciary's Foreclosure
23 Mediation Program.

ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 5003

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 6, 2019

The Assembly Housing and Community Development Committee reports favorably Assembly Bill No. 5003, with committee amendments.

As amended, this bill requires a foreclosing lender to apply for the appointment of a receiver in certain foreclosure actions. This bill also revises certain provisions of the “Fair Foreclosure Act,” P.L.1995, c.244 (C.2A:50-53 et seq.) concerning the notice of intention to foreclose a residential mortgage and the reinstatement of dismissed mortgage foreclosure actions.

The bill provides that a notice of intention to foreclose a residential property, including a notice of the right to cure the default, is required to be sent at least 30 days, but not more than 180 days, in advance of a residential mortgage lender commencing a foreclosure or other legal action to take possession of a residential property. Under current law, the notice of intention to foreclose is only required to be sent at least 30 days in advance of the action.

In the event that the property subject to the notice of intention to foreclose has more than one dwelling unit but less than five, one of which had been occupied by the debtor or a member of their immediate family at the time of loan origination, and is not properly maintained and meets the necessary conditions for receivership eligibility under the “Multifamily Housing Preservation and Receivership Act,” then the bill requires the residential mortgage lender to file an order to show cause to appoint a receiver. The bill requires the notice of intention to foreclose to include a statement to alert the owner of this requirement of the lender to pursue receivership appointment.

Additionally, the bill requires the notice of intention to foreclose to clearly state that the debtor is entitled to housing counseling, free of charge, through the Foreclosure Mediation Program established by the New Jersey Judiciary. The notice would also be required to include contact information for the program.

The bill also provides that if a plaintiff’s action to foreclose a residential mortgage has been dismissed without prejudice,

reinstatement of the plaintiff's action may be permitted only on motion for good cause shown. Under the bill, a plaintiff would be limited to three reinstatements for any action; however, a reinstatement which is granted following a dismissal without prejudice that resulted from the plaintiff's compliance with federal law or regulation would not count toward this limit. The fee for a plaintiff to reinstate a residential mortgage foreclosure action would be twice the amount set for filing a foreclosure complaint. The bill prohibits a plaintiff from passing a reinstatement fee onto any other person, including the debtor.

Under the bill, the proceeds from the portion of the reinstatement fee that exceeds the amount set for filing a foreclosure complaint would be divided equally, on an annual basis, as follows: (1) one-half dedicated to the New Jersey Housing and Mortgage Finance Agency to support the counseling component provided for the Foreclosure Mediation Program, and (2) one-half dedicated to the Administrative Office of the Courts to support the general operations of the Foreclosure Mediation Program.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) require the notice of intention to foreclose to clearly state that the debtor is entitled to housing counseling through the Foreclosure Mediation Program established by the New Jersey Judiciary and include contact information for the program;

(2) require that, if a property subject to a notice of intention to foreclose has more than one dwelling unit but less than five, one of which had been occupied by the debtor or a member of their immediate family upon loan origination, and meets the necessary conditions for receivership eligibility, then the residential mortgage lender would have to file an order to show cause to appoint a receiver;

(3) direct the lender to include a statement to alert the owner of the potential requirement for the lender to pursue receivership appointment in the notice of intention to foreclose;

(4) provide that any reinstatement of a foreclosure action which is granted following a dismissal without prejudice that resulted from the plaintiff's compliance with federal law or regulation would not count toward the limit of three reinstatements;

(5) remove reference to the Administrative Office of the Courts as the entity that is responsible for setting the foreclosure complaint filing fee; and

(6) provide technical changes to the bill.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5003

STATE OF NEW JERSEY

DATED: MARCH 6, 2019

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 5003 (1R).

This bill requires a foreclosing lender to apply for the appointment of a receiver in certain foreclosure actions. This bill also revises certain provisions of the “Fair Foreclosure Act,” P.L.1995, c.244 (C.2A:50-53 et seq.) concerning the notice of intention to foreclose a residential mortgage and the reinstatement of dismissed mortgage foreclosure actions.

The bill provides that a notice of intention to foreclose a residential property, including a notice of the right to cure the default, is required to be sent at least 30 days, but not more than 180 days, in advance of a residential mortgage lender commencing a foreclosure or other legal action to take possession of a residential property. Under current law, the notice of intention to foreclose is only required to be sent at least 30 days in advance of the action.

In the event that the property subject to the notice of intention to foreclose has more than one dwelling unit but less than five, one of which had been occupied by the debtor or a member of their immediate family at the time of loan origination, and is not properly maintained and meets the necessary conditions for receivership eligibility under the “Multifamily Housing Preservation and Receivership Act,” then the bill requires the residential mortgage lender to file an order to show cause to appoint a receiver. The bill requires the notice of intention to foreclose to include a statement to alert the owner of this requirement of the lender to pursue receivership appointment.

Additionally, the bill requires the notice of intention to foreclose to clearly state that the debtor is entitled to housing counseling, free of charge, through the Foreclosure Mediation Program established by the New Jersey Judiciary. The notice would also be required to include contact information for the program.

The bill also provides that if a plaintiff’s action to foreclose a residential mortgage has been dismissed without prejudice, reinstatement of the plaintiff’s action may be permitted only on motion for good cause shown. Under the bill, a plaintiff would be limited to

three reinstatements for any action; however, a reinstatement which is granted following a dismissal without prejudice that resulted from the plaintiff's compliance with federal law or regulation would not count toward this limit. The fee for a plaintiff to reinstate a residential mortgage foreclosure action would be twice the amount set for filing a foreclosure complaint. The bill prohibits a plaintiff from passing a reinstatement fee onto any other person, including the debtor.

Under the bill, the proceeds from the portion of the reinstatement fee that exceeds the amount set for filing a foreclosure complaint would be divided equally, on an annual basis, as follows: (1) one-half dedicated to the New Jersey Housing and Mortgage Finance Agency to support the counseling component provided for the Foreclosure Mediation Program, and (2) one-half dedicated to the Administrative Office of the Courts to support the general operations of the Foreclosure Mediation Program.



[Home](#) | [Administration](#) ▾ | [Key Initiatives](#) ▾ | [News and Events](#) ▾ | [Social](#) ▾ | [Contact Us](#) ▾

Newark, N.J.

Governor Murphy Signs Legislative Package to Address New Jersey's Foreclosure Crisis

04/29/2019

Governor Murphy Signs Legislative Package to Address New Jersey's Foreclosure Crisis

ATLANTIC CITY – Governor Phil Murphy today signed a bipartisan legislative package into law that will help New Jerseyans struggling with the state's highest-in-the-nation foreclosure rate. The new laws will assist homeowners facing the prospect of foreclosure and pave the way for community revival by addressing blight. Many of the measures were recommended in a September 2018 report by the Special Committee on Residential Foreclosures, which was created by Chief Justice Stuart Rabner.

"The foreclosure crisis has hurt our economy and jeopardized economic security of too many New Jersey families," **said Governor Murphy**. "Our communities cannot succeed while vacant or foreclosed homes sit empty or while families live in limbo. I am proud to sign these bills into law today and get New Jersey closer to ending the foreclosure crisis."

Among the bills, Governor Murphy signed A664, which codifies the Judiciary's Foreclosure Mediation Program into law, creating a long-term, permanent program that will not only increase the number of people entering mediation, but also ensure that homeowners receive housing counseling assistance to help provide them with the best possible outcomes in the foreclosure process.

"The foreclosure crisis hit the families of Atlantic County harder than almost any county in the nation. These bills offer a better path for the region and hope for families in despair," **said Special Counsel Jim Johnson**. "It's a vital and important step forward."

"Foreclosure can take an emotional and financial toll on homeowners and their families. These bills bolster our efforts to help keep families in their homes and neighborhoods intact," **said New Jersey Housing and Mortgage Finance Agency (NJHMFA) Executive Director Charles A. Richman**. "We know housing counseling works. Counseled homeowners are nearly three times as likely to have their loans modified, and 70 percent more likely to remain current after modification. That's why we have heavily invested our efforts on working to get families the counseling help they need."

The Governor signed the following nine bills into law:

- **A664** - Codifies the Judiciary's Foreclosure Mediation Program; dedicates monies from foreclosure filing fees and fines.
- **A4997** - "Mortgage Servicers Licensing Act."
- **A4999** - Requires filing of certain creditor contact information with residential mortgage foreclosure complaint and lis pendens.
- **A5001** - Revises statute of limitations for residential mortgage foreclosures.

- **A5002** - Permits certain planned real estate developments to file certain liens; concerns limited priority of certain liens.
- **S3411** - Requires receivership appointment application prior to certain foreclosure actions; requires notice of intention to foreclosure on residential mortgage to be filed within 180 days prior to commencing foreclosure; limits reinstatements of dismissed mortgage foreclosure actions.
- **S3413** - Makes certain changes to summary action foreclosure process under "Fair Foreclosure Act."
- **S3416** - Clarifies that "New Jersey Residential Mortgage Lending Act" applies to certain out-of-state persons and involved in residential mortgage lending in the State.
- **S3464** - Revises certain procedures for real estate foreclosure sales; alters adjournment of sale process.

"Foreclosures are tragic situations for New Jersey families that can also create public safety as well as quality of life issues for surrounding communities," **said Senator Steve Oroho**, sponsor of the bill package. "Doing our part to reduce the foreclosure rate statewide will protect families, make neighborhoods safer, and provide children the stability they need both at home and at school. I am proud Governor Murphy signed our bipartisan bill package into law. Stable homes will lead to happier households and better neighborhoods throughout our state."

"We are all aware that the surge in foreclosed properties is a significant factor that hinders more sustained economic growth in our state," **said Senator Troy Singleton**. "Solving the foreclosure issue by preventing homeowners from initially falling into this process will help to increase property values and stabilize our communities, while improving our state's overall economic outlook. This issue is not new. However, the comprehensive approach outlined in these bipartisan laws is unprecedented in our state. They will build upon the continued reduction in pending foreclosure cases and shorten the timeline to adjudicate these cases. This is a reflection of the work undertaken by every branch of our state government."

"Sadly, for too long our state has led the nation in foreclosures, with 70,000 properties going through the process in 2017 alone. Recognizing this problem, Chief Justice Rabner impaneled a blue ribbon committee encompassing the public, private and non-profit sectors to craft solutions, both legislative and regulatory, that were both fair and responsible to our state's residents and housing economy. I was privileged to serve and be a part of the solution," **said Assembly Speaker Craig Coughlin**. "The nine bills signed into law today are the first of many steps we'll take to address foreclosure process concerns in the state. More efficiency and ensuring fairness in the current system protects the interests of our homeowners, our neighborhoods and communities."

"These new laws will help us take a comprehensive approach in dealing with foreclosed homes in New Jersey," **said Assemblyman Benjie Wimberly**. "Foreclosed properties that sit in neighborhoods for years without being maintained are also a major problem, because these homes become eyesores to the community and drive property values down. As chair of the Assembly Housing and Community Development Committee, I will continue to work with Speaker Coughlin and our caucus to help solve the foreclosure crisis in New Jersey."

Advocates also expressed support for the measures.

"We thank Governor Murphy and the Legislature for providing valuable tools to address our state's relentless foreclosure crisis," **said Staci Berger, President and Chief Executive Officer of the Housing and Community Development Network of NJ**. "Residents and neighborhoods have suffered needlessly because the prior Administration failed to take important steps like these. During that time, residents and communities of color were disproportionately impacted by the crisis, losing so much of their housing equity. As NJ's largest HUD housing counseling intermediary, the Network is thrilled that New Jersey's leaders are now working with us and our members to keep people in their homes and helping to protect the single largest investment working families can make."

"Thanks to the leadership of both Governor Murphy and the legislators who sponsored this bill package, New Jersey is one step close to putting the foreclosure crisis behind us," **said Winn Khuong, Executive Director of Action Together New Jersey**. "Governor Murphy's action today puts New Jersey on a path to renewing our communities, something that will change the lives of so many. We are pleased to see New Jersey's leaders moving the state in the right direction."

"We applaud Governor Murphy and all of the legislators on the passage of this package of bills," **said Renee Koubiadis, Executive Director of the Anti-Poverty Network of New Jersey**. "Taken together, these bills will allow for a more transparent and fairer process for people facing default and will help alleviate New Jersey's persistent foreclosure crisis. Particularly, the codification and funding of the Foreclosure Mediation Program will allow families receive to counseling and mediation to find a resolution to be able to stay in their homes."

"A decade after the financial crisis, New Jersey continues to lead the nation in foreclosures," **said Kevin Walsh, Executive Director of Fair Share Housing Center.** "This legislative package will provide needed relief by increasing protections for homeowners and holding lenders accountable. We'd like to thank Governor Murphy and legislative leaders, including Senator Singleton, for pushing through proposals designed to protect working families."

[Back to Top](#)

Powered by  [Translate](#) [Select Language](#)

[Translator Disclaimer](#)

Governor Phil Murphy

Home

Administration

- [Governor Phil Murphy](#)
- [Lt. Governor Sheila Oliver](#)
- [First Lady Tammy Snyder Murphy](#)
- [Cabinet](#)
- [Boards, Commissions & Authorities](#)
- [Internship](#)
- [Opportunities](#)
- [Governor's Residence - Drumthwacket](#)

Key Initiatives

- [Economy & Jobs](#)
- [Education](#)
- [Environment](#)
- [Health](#)
- [Law & Justice](#)
- [Transportation](#)

News & Events

- [Press Releases](#)
- [Public Addresses](#)
- [Executive Orders](#)
- [Statements on Legislation](#)
- [Administration Reports](#)
- [Transition Reports](#)
- [Press Kits](#)

Social

- [Facebook](#)
- [Twitter](#)
- [Instagram](#)
- [Snapchat](#)
- [YouTube](#)

Contact Us

- [Scheduling Requests](#)
- [Contact Us](#)

Statewide

- [NJ Home](#)
- [Services A to Z](#)
- [Departments/Agencies](#)
- [FAQs](#)
- [Contact Us](#)
- [Privacy Notice](#)
- [Legal Statement & Disclaimers](#)
- [Accessibility](#)
- [Statement](#)



Copyright © State of New Jersey, 1996-2018
Office of Governor PO Box 001
Trenton, NJ 08625
609-292-6000

powered by **njoit**

YOURMONEY.NJ.GOV