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FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: Yes

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>

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

P.L. 2019, CHAPTER 64, *approved April 29, 2019*
Assembly, No. 664 (*Second Reprint*)

1 AN ACT concerning foreclosure mediation, amending
2 ¹~~["N.J.S.22A:2-12 and"]~~¹ P.L.1995, c.244, supplementing Title
3 2A of the New Jersey Statutes, and dedicating monies from
4 foreclosure filing fees and fines.

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

8
9 1. (New section) This act shall be known and may be cited as
10 the "New Jersey Foreclosure Mediation Act."

11
12 2. (New section) a. The Legislature finds and declares that
13 the New Jersey Judiciary established a Foreclosure Mediation
14 Program in ¹~~["2009"]~~ 2008¹ in response to the increase in residential
15 foreclosures. This act ensures the continuation of mediation
16 services provided under that program to assist homeowners and
17 lenders in pursuing a mutually agreeable alternative to mortgage
18 foreclosure litigation and to avoid the harmful effects of residential
19 property foreclosure on homeowners, families, and communities.

20 b. For the purposes of P.L. , c. (C.) (pending before
21 the Legislature as this bill):

22 ¹"Certification document" means the document that the
23 homeowner-borrower is required to submit to the court upon the
24 initiation of foreclosure mediation, pursuant to subsection b. of
25 section 4 and subsection a. of section 5 of P.L. , c. (C.)
26 (pending before the Legislature as this bill).¹

27 "Eligible property" means an owner-occupied one- to ¹~~["three-~~
28 ~~family residential property that is the homeowner-borrower's~~
29 ~~primary residence"]~~ four-dwelling unit residence, one of which is
30 occupied, or is planned to be occupied, by the homeowner-
31 borrower, or a member of the homeowner-borrower's immediate
32 family¹.

33 "Foreclosure Mediation Program" or "mediation program" means
34 the New Jersey Judiciary's Foreclosure Mediation Program as
35 authorized by the Supreme Court of New Jersey.

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 AHO committee amendments adopted October 22, 2018.

²Assembly floor amendments adopted February 25, 2019.

1 "Homeowner-borrower" means the borrower ¹**[on a]** who
2 executed the¹ mortgage loan for an eligible property that is subject
3 to a foreclosure complaint filed by the ¹original residential
4 mortgage¹ lender or an assignee ¹of the original residential
5 mortgage lender¹.

6 ¹"Trained foreclosure prevention and default mitigation
7 counselor" means a housing counselor employed by a housing
8 counseling agency certified by the United States Department of
9 Housing and Urban Development, who has successfully completed
10 a foreclosure prevention and default mitigation training course.¹

11
12 3. (New section) ¹**[The]** A¹ homeowner-borrower shall receive
13 written notice ¹from the residential mortgage lender¹ of the option
14 to participate in the Foreclosure Mediation Program in accordance
15 with the court rules, procedures, and guidelines adopted by the
16 Supreme Court at the time the homeowner-borrower receives a
17 notice of intention to foreclose, pursuant to section 4 of P.L.1995,
18 c.244 (C.2A:50-56). Upon the filing of a mortgage foreclosure
19 complaint against an eligible property, the homeowner-borrower
20 shall again receive written notice of the option to participate in the
21 Foreclosure Mediation Program in accordance with the court rules,
22 procedures, and guidelines adopted by the Supreme Court. The
23 written notice required pursuant to this section shall be available in
24 both English and Spanish.

25
26 4. (New section) a. (1) A court may order mediation
27 whenever a homeowner-borrower files an answer to a foreclosure
28 complaint.

29 (2) Alternatively, the homeowner-borrower may initiate ¹**[the**
30 **process for scheduling mediation by submitting a mediation request**
31 **to the court, along with any other documents required by the**
32 **Supreme Court. The deadline for mediation request submission**
33 **shall be determined by the court rules, procedures, and guidelines**
34 **adopted by the Supreme Court]** mediation in accordance with court
35 rules. The courts shall provide the homeowner-borrower no less
36 than 60 days following receipt of the foreclosure complaint and
37 summons to initiate mediation¹.

38 b. ¹**[After requesting mediation, the homeowner-borrower may**
39 **seek to stay the sheriff's sale in accordance with applicable court**
40 **rules and procedures]** The homeowner-borrower may not
41 participate in mediation unless the certification document required
42 pursuant to section 5 of P.L. , c. (C.) (pending before the
43 Legislature as this bill) is submitted to the court and signed by a
44 trained foreclosure prevention and default mitigation counselor,
45 verifying that the homeowner-borrower is cooperating with the
46 counselor¹.

1 c. The homeowner-borrower shall not be required to pay any
2 fees to participate in the mediation program.

3
4 5. (New section) a. Whenever a ¹【person submits a】
5 homeowner-borrower initiates¹ mediation ¹【request】¹ or is ordered
6 to participate in the mediation program, that ¹【person may】
7 homeowner-borrower shall¹ be responsible for submitting a
8 certification document to the court, confirming that they meet the
9 definition of a homeowner-borrower ¹, pursuant to subsection b. of
10 section 2 of P.L. , c. (C.) (pending before the Legislature
11 as this bill),¹ and that the property being foreclosed upon continues
12 to be an eligible property pursuant to subsection b. of section 2 of
13 P.L. , c. (C.) (pending before the Legislature as this bill).
14 ¹Pursuant to subsection b. of section 4 of P.L. , c. (C.)
15 (pending before the Legislature as this bill), the certification
16 document submitted to the court shall also be signed by the trained
17 foreclosure prevention and default mitigation counselor, verifying
18 that the trained foreclosure prevention and default mitigation
19 counselor is counseling the homeowner-borrower.¹

20 b. Each party shall participate in foreclosure mediation ¹【in
21 good faith. A good faith effort includes, but is not limited to, the
22 mortgage lender or its servicer attending】, and shall attend¹ the
23 mediation session in person or by telephone through a person with
24 the authority to consider alternatives to foreclosure so that the
25 parties may reach a mutually acceptable loan modification, loan
26 workout, refinancing agreement, or other resolution. If any party or
27 attorney for a party fails to attend a mediation session ¹【or to make
28 a good faith effort to mediate】¹, the court, in addition to any
29 sanction the court deems appropriate, may sanction a party or
30 attorney for a violation of this subsection with a civil penalty of up
31 to \$1,000 or allow a party to recover reasonable attorney's fees or
32 litigation expenses, or both. In determining the type of sanction to
33 impose against a party, the court may consider whether the conduct
34 was intentional and whether the party has engaged in a pattern of
35 similar conduct with respect to the current complaint or any
36 previous complaints.

37
38 ¹6. (New section) The Judiciary shall record the result of each
39 foreclosure mediation session, and compile this information into an
40 accessible format so that the frequency of the program's success
41 can be identified, and shall publish the compiled information on the
42 Judiciary's Internet website. The information shall include the
43 aggregate data regarding: the number of cases in mediation; the
44 number of mediation sessions held; the number of mediation
45 sessions that did not go forward because either party did not
46 participate; the number of successful mediations delineated by loan
47 modification, forbearance, deed in lieu of foreclosure, short sale

1 agreement, or other agreement resulting in the dismissal of the
 2 complaint for foreclosure; and the number of homeowners against
 3 whom another complaint for foreclosure was not filed in the
 4 following two years. The information published on the Judiciary's
 5 Internet website shall be updated at least annually. However, the
 6 first report shall be published two years after the effective date of
 7 P.L. , c. (C.) (pending before the Legislature as this bill).¹

8
 9 ¹~~6.~~ ¹7. (New section) There is created in the General Fund a
 10 dedicated, non-lapsing fund to be known as the "Foreclosure
 11 Mediation Fund," to be held separate and apart from all other funds of
 12 the State. The fund shall be administered by the Administrative Office
 13 of the Courts. In each action for foreclosure, the plaintiff shall pay
 14 ²~~[\$50]~~ ²\$155 to the clerk of the court in addition to the fee associated
 15 with the filing of the first paper ¹. ²~~That \$50]~~ Of that \$155²
 16 payment¹, ²\$60² and all monies collected from each civil penalty
 17 imposed for violations of subsection b. of section 5 of P.L. , c.
 18 (C.) (pending before the Legislature as this bill), shall be
 19 deposited in the fund. The monies shall be appropriated annually by
 20 the Legislature to the Administrative Office of the Courts for the
 21 purposes of the operation of the Foreclosure Mediation Program ¹,
 22 including the compensation of mediators,¹ and to enhance the integrity
 23 of the mortgage foreclosure review process. All interest or other
 24 income earned on monies deposited into the fund, and any monies that
 25 may be appropriated or otherwise become available for the purpose of
 26 the fund, shall be credited and deposited into the fund. ²The remaining
 27 \$95 collected from each filing fee shall be used to reimburse trained
 28 foreclosure prevention and default mitigation counselors for their
 29 services, pursuant to P.L. , c. (C.) (pending before the
 30 Legislature as this bill.²

31
 32 ¹~~7.]~~ ¹8. Section 4 of P.L.1995, c.244 (C.2A:50-56) is amended
 33 to read as follows:

34 4. a. Upon failure to perform any obligation of a residential
 35 mortgage by the residential mortgage debtor and before any
 36 residential mortgage lender may accelerate the maturity of any
 37 residential mortgage obligation and commence any foreclosure or
 38 other legal action to take possession of the residential property
 39 which is the subject of the mortgage, the residential mortgage
 40 lender shall give the residential mortgage debtor notice of such
 41 intention at least 30 days in advance of such action as provided in
 42 this section.

43 b. Notice of intention to take action as specified in subsection
 44 a. of this section shall be in writing, sent to the debtor by registered
 45 or certified mail, return receipt requested, at the debtor's last known
 46 address, and, if different, to the address of the property which is the
 47 subject of the residential mortgage. The notice is deemed to have

1 been effectuated on the date the notice is delivered in person or
2 mailed to the party.

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

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

6 (2) the nature of the default claimed;

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

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

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

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

21 (7) that if the lender takes the steps indicated pursuant to
22 paragraph (6) of this subsection c., a debtor shall still have the right
23 to cure the default pursuant to section 5 of **【this act】**
24 P.L.1995, c.244 ¹**【(C.2A:50-57) (C.2A:50-57)**¹, but that the debtor
25 shall be responsible for the lender's court costs and attorneys' fees
26 in an amount not to exceed that amount permitted pursuant to the
27 Rules Governing the Courts of the State of New Jersey;

28 (8) the right, if any, of the debtor to transfer the real estate to
29 another person subject to the security interest and that the transferee
30 may have the right to cure the default as provided in **【this act】**
31 P.L.1995, c.244 (C.2A:50-53 et seq.), subject to the mortgage
32 documents;

33 (9) that the debtor is advised to seek counsel from an attorney of
34 the debtor's own choosing concerning the debtor's residential
35 mortgage default situation, and that, if the debtor is unable to obtain
36 an attorney, the debtor may communicate with the New Jersey Bar
37 Association or Lawyer Referral Service in the county in which the
38 residential property securing the mortgage loan is located; and that,
39 if the debtor is unable to afford an attorney, the debtor may
40 communicate with the Legal Services Office in the county in which
41 the property is located;

42 (10) the possible availability of financial assistance for curing a
43 default from programs operated by the State or federal government
44 or nonprofit organizations, if any, as identified by the
45 Commissioner of Banking and Insurance. This requirement shall be
46 satisfied by attaching a list of such programs promulgated by the
47 commissioner; **【and】**

1 (11) the name and address of the lender and the telephone
2 number of a representative of the lender whom the debtor may
3 contact if the debtor disagrees with the lender's assertion that a
4 default has occurred or the correctness of the mortgage lender's
5 calculation of the amount required to cure the default; and

6 (12) that if the lender takes the steps indicated pursuant to
7 paragraph (6) of this subsection, the debtor has the option to
8 participate in the Foreclosure Mediation Program ¹by submitting a
9 mediation request to the court¹ following the filing of a mortgage
10 foreclosure complaint ¹by initiating mediation pursuant to
11 paragraph (2) of subsection a. of section 4 of P.L. , c. (C.)
12 (pending before the Legislature as this bill)¹ . Notice of the option
13 to participate in the Foreclosure Mediation Program shall adhere to
14 the requirements of section 3 of P.L. , c. (C.) (pending
15 before the Legislature as this bill) and any court rules, procedures,
16 or guidelines adopted by the Supreme Court.

17 d. The notice of intention to foreclose required to be provided
18 pursuant to this section shall not be required if the debtor has
19 voluntarily surrendered the property which is the subject of the
20 residential mortgage.

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

26 f. Compliance with this section shall be set forth in the
27 pleadings of any legal action referred to in this section. If the
28 plaintiff in any complaint seeking foreclosure of a residential
29 mortgage alleges that the property subject to the residential
30 mortgage has been abandoned or voluntarily surrendered, the
31 plaintiff shall plead the specific facts upon which this allegation is
32 based.

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

34
35 ¹[8.] 9.¹ This act shall take effect ¹[immediately] on the first
36 day of the seventh month next following enactment¹.

37
38
39
40
41 Codifies the Judiciary's Foreclosure Mediation Program;
42 dedicates monies from foreclosure filing fees and fines.

ASSEMBLY, No. 664

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblyman JERRY GREEN

District 22 (Middlesex, Somerset and Union)

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

Assemblywoman ELIZABETH MAHER MUOIO

District 15 (Hunterdon and Mercer)

Assemblyman VINCENT MAZZEO

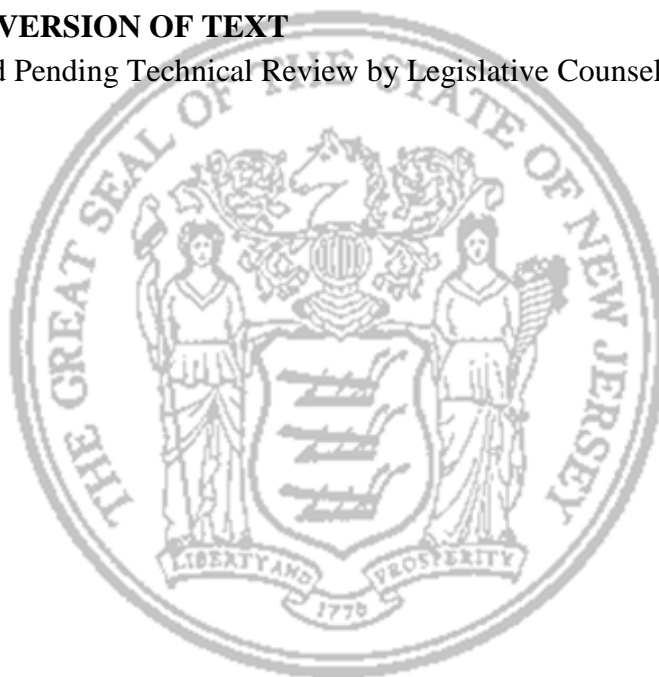
District 2 (Atlantic)

SYNOPSIS

Codifies the Judiciary's Foreclosure Mediation Program; dedicates monies from foreclosure filing fees and fines.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning foreclosure mediation, amending N.J.S.22A:2-
2 12 and P.L.1995, c.244, supplementing Title 2A of the New
3 Jersey Statutes, and dedicating monies from foreclosure filing
4 fees and fines.

5

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

8

9 1. (New section) This act shall be known and may be cited as
10 the "New Jersey Foreclosure Mediation Act."

11

12 2. (New section) a. The Legislature finds and declares that
13 the New Jersey Judiciary established a Foreclosure Mediation
14 Program in 2009 in response to the increase in residential
15 foreclosures. This act ensures the continuation of mediation
16 services provided under that program to assist homeowners and
17 lenders in pursuing a mutually agreeable alternative to mortgage
18 foreclosure litigation and to avoid the harmful effects of residential
19 property foreclosure on homeowners, families, and communities.

20 b. For the purposes of P.L. , c. (C.) (pending before the
21 Legislature as this bill):

22 "Eligible property" means an owner-occupied one- to three-
23 family residential property that is the homeowner-borrower's
24 primary residence.

25 "Foreclosure Mediation Program" or "mediation program" means
26 the New Jersey Judiciary's Foreclosure Mediation Program as
27 authorized by the Supreme Court of New Jersey.

28 "Homeowner-borrower" means the borrower on a mortgage loan
29 for an eligible property that is subject to a foreclosure complaint
30 filed by the lender or an assignee.

31

32 3. (New section) The homeowner-borrower shall receive
33 written notice of the option to participate in the Foreclosure
34 Mediation Program in accordance with the court rules, procedures,
35 and guidelines adopted by the Supreme Court at the time the
36 homeowner-borrower receives a notice of intention to foreclose,
37 pursuant to section 4 of P.L.1995, c.244 (C.2A:50-56). Upon the
38 filing of a mortgage foreclosure complaint against an eligible
39 property, the homeowner-borrower shall again receive written
40 notice of the option to participate in the Foreclosure Mediation
41 Program in accordance with the court rules, procedures, and
42 guidelines adopted by the Supreme Court. The written notice
43 required pursuant to this section shall be available in both English
44 and Spanish.

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 4. (New section) a. (1) A court may order mediation whenever
2 a homeowner-borrower files an answer to a foreclosure complaint.

3 (2) Alternatively, the homeowner-borrower may initiate the
4 process for scheduling mediation by submitting a mediation request
5 to the court, along with any other documents required by the
6 Supreme Court. The deadline for mediation request submission
7 shall be determined by the court rules, procedures, and guidelines
8 adopted by the Supreme Court.

9 b. After requesting mediation, the homeowner-borrower may
10 seek to stay the sheriff's sale in accordance with applicable court
11 rules and procedures.

12 c. The homeowner-borrower shall not be required to pay any
13 fees to participate in the mediation program.

14

15 5. (New section) a. Whenever a person submits a mediation
16 request or is ordered to participate in the mediation program, that
17 person may be responsible for submitting a certification document
18 to the court, confirming that they meet the definition of a
19 homeowner-borrower and that the property being foreclosed upon
20 continues to be an eligible property pursuant to subsection b. of
21 section 2 of P.L. , c. (C.) (pending before the Legislature
22 as this bill).

23 b. Each party shall participate in foreclosure mediation in good
24 faith. A good faith effort includes, but is not limited to, the
25 mortgage lender or its servicer attending the mediation session in
26 person or by telephone through a person with the authority to
27 consider alternatives to foreclosure so that the parties may reach a
28 mutually acceptable loan modification, loan workout, refinancing
29 agreement, or other resolution. If any party or attorney for a party
30 fails to attend a mediation session or to make a good faith effort to
31 mediate, the court, in addition to any sanction the court deems
32 appropriate, may sanction a party or attorney for a violation of this
33 subsection with a civil penalty of up to \$1,000 or allow a party to
34 recover reasonable attorney's fees or litigation expenses, or both. In
35 determining the type of sanction to impose against a party, the court
36 may consider whether the conduct was intentional and whether the
37 party has engaged in a pattern of similar conduct with respect to the
38 current complaint or any previous complaints.

39

40 6. (New section) There is created in the General Fund a
41 dedicated, non-lapsing fund to be known as the "Foreclosure
42 Mediation Fund," to be held separate and apart from all other funds of
43 the State. The fund shall be administered by the Administrative Office
44 of the Courts. In each action for foreclosure, the plaintiff shall pay
45 \$50 to the clerk of the court in addition to the fee associated with the
46 filing of the first paper, and all monies collected from each civil
47 penalty imposed for violations of subsection b. of section 5 of P.L. ,
48 c. (C.) (pending before the Legislature as this bill), shall be

1 deposited in the fund. The monies shall be appropriated annually by
2 the Legislature to the Administrative Office of the Courts for the
3 purposes of the operation of the Foreclosure Mediation Program and to
4 enhance the integrity of the mortgage foreclosure review process. All
5 interest or other income earned on monies deposited into the fund, and
6 any monies that may be appropriated or otherwise become available
7 for the purpose of the fund, shall be credited and deposited into the
8 fund.

9

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

12 4. a. Upon failure to perform any obligation of a residential
13 mortgage by the residential mortgage debtor and before any
14 residential mortgage lender may accelerate the maturity of any
15 residential mortgage obligation and commence any foreclosure or
16 other legal action to take possession of the residential property
17 which is the subject of the mortgage, the residential mortgage
18 lender shall give the residential mortgage debtor notice of such
19 intention at least 30 days in advance of such action as provided in
20 this section.

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

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

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

31 (2) the nature of the default claimed;

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

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

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

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

46 (7) that if the lender takes the steps indicated pursuant to
47 paragraph (6) of this subsection c., a debtor shall still have the right
48 to cure the default pursuant to section 5 of **【this act】** P.L.1995,

1 c.244 (C.2A:50-57), but that the debtor shall be responsible for the
2 lender's court costs and attorneys' fees in an amount not to exceed
3 that amount permitted pursuant to the Rules Governing the Courts
4 of the State of New Jersey;

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

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

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

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

30 (12) that if the lender takes the steps indicated pursuant to
31 paragraph (6) of this subsection, the debtor has the option to
32 participate in the Foreclosure Mediation Program by submitting a
33 mediation request to the court following the filing of a mortgage
34 foreclosure complaint. Notice of the option to participate in the
35 Foreclosure Mediation Program shall adhere to the requirements of
36 section 3 of P.L. , c. (C.) (pending before the Legislature
37 as this bill) and any court rules, procedures, or guidelines adopted
38 by the Supreme Court.

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

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

1 f. Compliance with this section shall be set forth in the
2 pleadings of any legal action referred to in this section. If the
3 plaintiff in any complaint seeking foreclosure of a residential
4 mortgage alleges that the property subject to the residential
5 mortgage has been abandoned or voluntarily surrendered, the
6 plaintiff shall plead the specific facts upon which this allegation is
7 based.

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

9
10 8. This act shall take effect immediately.

11
12
13 STATEMENT

14
15 This bill codifies into State law New Jersey's Foreclosure
16 Mediation Program, established in 2009 by the New Jersey
17 Judiciary in response to an alarming increase in residential
18 foreclosures. This bill also strengthens the program to more
19 effectively protect home ownership in New Jersey.

20 The bill requires that, at the time the homeowner-borrower
21 receives a notice of intention to foreclose pursuant to section 4 of
22 P.L.1995, c.244 (C.2A:50-56), a homeowner-borrower must receive
23 written notice of the option to participate in the Foreclosure
24 Mediation Program. Upon the filing of a mortgage foreclosure
25 complaint against an eligible property, the homeowner-borrower
26 must again receive written notice of the option to participate in the
27 Foreclosure Mediation Program. The written notice must be
28 available in both English and Spanish.

29 The bill authorizes eligible homeowners to submit a mediation
30 request, thereby initiating the process of scheduling a mediation
31 session with their lender. Along with the mediation request, the
32 homeowner may be required to submit additional information that
33 may be necessary for creating a loan modification, or other
34 agreement, but will not have to pay any fees to participate in the
35 program. The bill requires lenders to have a representative attend
36 the mediation session, either in person or by telephone, who has
37 authority to reach a mutually acceptable loan modification, loan
38 workout, refinancing agreement, or other resolution. If either party
39 fails to attend a mediation session or make a good faith effort to
40 mediate, courts will have the authority to penalize the party through
41 a fine of up to \$1,000, through allowing the other party to recover
42 reasonable attorney's fees and litigation expenses, or through any
43 other sanction the court deems appropriate.

44 The bill also creates a dedicated, non-lapsing fund within the
45 General Fund to be known as the "Foreclosure Mediation Fund."
46 This fund would be comprised of receipts equaling \$50 from every
47 foreclosure complaint filing fee, along with all fines imposed on
48 lenders for noncompliance with obligations of the mediation

A664 JASEY, GREEN

7

1 program found in subsection b. of section 5 of the bill. Pursuant to
2 R.1:43 of the Rules of Court, foreclosure complaint filing fees have
3 recently been increased from \$200 to \$250. Instead of establishing
4 those fees at \$250, this bill permits the judicial branch to maintain
5 the role of determining foreclosure complaint filing fee levels, so
6 long as \$50 of each fee is contributed to the fund.

ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 664

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2018

The Assembly Housing and Community Development Committee reports favorably Assembly Bill No. 664, with committee amendments.

As amended, this bill codifies the Judiciary's Foreclosure Mediation Program into the New Jersey Statutes, and makes various adjustments to the program. The program has existed since 2008, when it was established by the State Judiciary in response to an increase in residential foreclosures.

The bill requires that, at the time the homeowner receives a notice of intention to foreclose pursuant to section 4 of P.L.1995, c.244 (C.2A:50-56), a homeowner must receive written notice of the option to participate in the Foreclosure Mediation Program. Upon the filing of a mortgage foreclosure complaint against an eligible property, the homeowner must again receive written notice of the option to participate in the Foreclosure Mediation Program. The written notice must be available in both English and Spanish.

The bill authorizes eligible homeowners to initiate mediation in accordance with court rules. When initiating mediation, the homeowner would be required to submit a certification document, signed by a foreclosure prevention and default mitigation counselor, to verify that that this professional is providing the homeowner with counseling. The homeowner would not have to pay any fees to participate in the program. The bill requires lenders to have a representative attend the mediation session, either in person or by telephone, who has authority to reach a mutually acceptable loan modification, loan workout, refinancing agreement, or other resolution. If either party fails to attend a mediation session, the courts will have the authority to penalize the party through a fine of up to \$1,000, through allowing the other party to recover reasonable attorney's fees and litigation expenses, or through any other sanction the court deems appropriate.

The bill also creates a dedicated, non-lapsing fund within the General Fund to be known as the "Foreclosure Mediation Fund." This fund would be comprised of a \$50 payment added to every foreclosure complaint filing fee, along with all fines imposed on lenders for

noncompliance with obligations of the mediation program. The fund would be used for the operation of the mediation program, including the compensation of mediators, and to enhance the integrity of the mortgage foreclosure review process.

The bill would require the Judiciary to compile information related to mediation sessions on their website in order to more effectively understand the frequency of the program's success. The bill would take effect on the first day of the seventh month following enactment.

This bill was pre-filed for introduction in the 2018-2019 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

These amendments direct the courts to provide a homeowner with no less than 60 days to initiate mediation following receipt of a foreclosure complaint. However, the amendments remove language related to the ability to stay a sheriff's sale in association with a mediation request. The amendments also prohibit participation in foreclosure mediation unless a certification document is submitted to the court.

The amendments also clarify that the certification document, which primarily clarifies that the homeowner is eligible to participate in mediation, must be signed by a foreclosure prevention and default mitigation counselor to verify that that this professional is counseling the homeowner.

The amendments also add a definition of "certification document," and "trained foreclosure prevention and default mitigation counselor," and adjust the definition of "homeowner-borrower." Through changes to the "eligible property" definition, the amendments expand the types of property owners who may participate in the program to include owners of one- to four-dwelling unit residences, so long as one dwelling unit is occupied, or planned to be occupied, by the homeowner or a member of the homeowner's immediate family.

The amendments require attendance by each party in a mediation session, but remove the requirement for good faith participation by each party.

These amendments add a new section to the bill to require the Judiciary to compile information related to mediation sessions on their website in order to more effectively understand the frequency of the program's success.

Finally, the amendments specify that the \$50 filing fee, added by the bill for the Foreclosure Mediation Fund, is meant to be in addition to the \$250 complaint filing fee. These amendments also specify that the Foreclosure Mediation Fund shall be used to compensate mediators, in addition to its other purposes. The amendments make technical changes to the bill and delay the effective date of the bill until the first day of the seventh month following enactment.

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 664

with Assembly Floor Amendments
(Proposed by Assemblywoman JASEY)

ADOPTED: FEBRUARY 25, 2019

These Assembly amendments provide that in each action for foreclosure, the plaintiff would be required to pay a fee of \$155 to the clerk of the court in addition to the fee associated with the filing of the first paper.

Of that \$155 payment, \$60 and all monies collected from each civil penalty for violations of certain provisions of the bill would be required to be deposited in the Foreclosure Mediation Fund. The remaining \$95 collected would be required to be used to reimburse trained foreclosure prevention and default mitigation counselors for their services.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 664

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 29, 2019

SUMMARY

- Synopsis:** Codifies the Judiciary's Foreclosure Mediation Program; dedicates monies from foreclosure filing fees and fines.
- Type of Impact:** Annual State revenue and expenditure increases, General Fund.
- Agencies Affected:** The Judiciary.

Office of Legislative Services Estimate

| Fiscal Impact | |
|-----------------------------------|----------------------------|
| Annual State Revenue Increase | \$3,100,000 to \$6,200,000 |
| Annual State Expenditure Increase | Indeterminate |

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State revenue by \$3.1 million to \$6.2 million from the imposition of a \$155 fee payable to the Judiciary by the plaintiff when filing a foreclosure complaint. Fee collections are to support the Foreclosure Mediation Program.
- The Foreclosure Mediation Program will receive additional indeterminate revenue from civil penalties of up to \$1,000 that are to be imposed by the courts for the failure to attend a foreclosure mediation session. The Administrative Office of the Courts (AOC) estimated previously that penalty payments would likely be nominal.
- The bill may increase annual State expenditures by an indeterminate amount to the extent that the bill adds to the responsibilities of the Judiciary under the existing Foreclosure Mediation Program, results in caseload growth, or causes operational changes. The OLS, however, is not in a position to anticipate AOC operating decisions in response to the bill.

BILL DESCRIPTION

This bill codifies the Judiciary's existing Foreclosure Mediation Program into the New Jersey Statutes, makes various adjustments to the program, and provides a permanent funding source therefor; all effective on the first day of the seventh month following enactment.

Specifically, the bill requires that a homeowner receive written notice of the option to participate in the Foreclosure Mediation Program with a notice of intention to foreclose and again upon the filing of a mortgage foreclosure complaint.

An eligible homeowner-borrower may initiate mediation in accordance with court rules or a court may order mediation whenever a homeowner contests a foreclosure complaint. When initiating mediation, the homeowner would be required to submit a certification document, signed by a trained foreclosure prevention and default mitigation counselor.

The bill requires lenders to have a representative attend the mediation session, either in person or by telephone, who has authority to reach a mutually acceptable loan modification or other resolution. If either party fails to attend a mediation session, the court may, in addition to any other sanction the court deems appropriate, fine the absentee up to \$1,000, or allow the other party to recover reasonable attorney's fees and litigation expenses, or both.

The bill imposes an additional \$155 fee on every foreclosure complaint filing to support the Foreclosure Mediation Program. Of that amount, \$95 will be used to reimburse trained foreclosure prevention and default mitigation counselors for their services. The remaining \$60, as well as any penalty collected for the failure to attend a mediation session, is to be deposited into the "Foreclosure Mediation Fund," a dedicated, non-lapsing fund to be established within the General Fund. Fund balances would be used to operate the mediation program and to enhance the integrity of the mortgage foreclosure review process.

Lastly, the Judiciary is to compile and publish on its webpage annual program statistics.

FISCAL ANALYSIS

JUDICIAL BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State revenue by \$3.1 million to \$6.2 million, and may raise annual State expenditures by an indeterminate amount.

The bill creates two new State revenue streams to support the Foreclosure Mediation Program: a \$155 fee that a plaintiff must pay when filing a foreclosure complaint and civil penalties of up to \$1,000 for the failure to attend a foreclosure mediation session.

The OLS estimates that the \$155 fee will generate between \$3.1 million and \$6.2 million per year. Between \$1.9 million and \$3.8 million of the projected total will compensate trained foreclosure prevention and default mitigation counselors for their services. The remaining \$1.2 million to \$2.4 million will be deposited into the Foreclosure Mediation Fund.

The lower end of the estimated range assumes 20,000 foreclosure complaints per year, which is consistent with an informal estimate provided by the AOC based on recent trends. The upper end assumes 40,000 complaints per year. The relatively wide range takes into account the significant fluctuation in the annual number of foreclosure complaints in the last 15 years. In FY 2006, for example, there were 21,752 foreclosure complaints. The number peaked at 65,222 in FY 2010 following the Great Recession and has been receding since. In reply to an FY 2018 OLS Discussion Point, the AOC reported 45,806 foreclosure complaints in FY 2016. The AOC now projects the filing of 20,000 foreclosure complaints per year based on most recent trends.

The OLS has no informational basis for estimating the revenue that the new civil penalty may generate. In its December 2017 estimate for the substantively similar Senate Bill No. 1130 (1R) of 2016, however, the AOC noted that prior experience with Foreclosure Mediation Program participants suggested that revenue generated via civil penalties would be nominal.

Concerning the bill's potential annual State expenditure increase, the bill largely codifies the existing Foreclosure Mediation Program and does not establish a new program. However, the bill assigns additional responsibilities to the Judiciary, such as the requirement to compile and publish on its webpage annual program statistics. Moreover, the funding the bill provides for the program may lead to caseload growth or operational changes. The extent to which the bill may ultimately increase annual operating expenditures will largely depend on AOC operating decisions, which the OLS cannot anticipate absent information from the AOC.

The Foreclosure Mediation Program began in January 2009 as a collaboration of the Judiciary, the New Jersey Housing and Mortgage Finance Agency (NJHMFA), the Office of Dispute Settlement in the Office of the Public Defender, Legal Services of New Jersey, and the Office of the Attorney General. The NJHMFA provided free trained housing counselors to eligible homeowners, while the Office of Dispute Settlement provided the mediation services and generally administered the program.

The program was originally funded through P.L.2008, c.104, which appropriated \$10.0 million from the Long Term Obligation and Capital Expenditure Fund for foreclosure mediation and \$2.5 million for NJHMFA-provided mortgage counseling. According to the Judiciary's August 2018 "Report of the Special Committee on Residential Foreclosures," these funds were supplemented by the proceeds of certain federal and State settlements with lenders that had engaged in improper practices. These were non-permanent funding sources.

According to the August 2018 report, by 2015 housing counselor services could no longer be sustained, and by 2017 the Office of Dispute Settlement ceased the mediation program. The Judiciary then absorbed and restructured the program in the Superior Court Clerk's Office. The mediations are currently conducted by trained Judiciary staff, rather than by paid mediators. The OLS has no information on the program's current operating expenditures.

Furthermore, on August 14, 2018, the NJHMFA announced the restart of its housing counselor program. The agency intended to allocate \$1 million to the program to provide assistance to homeowners who wish to participate in the Foreclosure Mediation Program. Under the initiative, at least two participating counseling agencies are to serve each county.

Section: Judiciary

Analyst: Sarita Welsh
Associate Counsel

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 1244

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 25, 2018

Sponsored by:

Senator RONALD L. RICE

District 28 (Essex)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Codifies the Judiciary's Foreclosure Mediation Program; dedicates monies from foreclosure filing fees and fines.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/16/2018)

S1244 RICE, SINGLETON

2

1 AN ACT concerning foreclosure mediation, amending P.L.1995,
2 c.244, supplementing Title 2A of the New Jersey Statutes, and
3 dedicating monies from foreclosure filing fees and fines.

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

7
8 1. (New section) This act shall be known and may be cited as
9 the "New Jersey Foreclosure Mediation Act."

10
11 2. (New section) a. The Legislature finds and declares that the
12 New Jersey Judiciary established a Foreclosure Mediation Program
13 in 2009 in response to the increase in residential foreclosures. This
14 act ensures the continuation of mediation services provided under
15 that program to assist homeowners and lenders in pursuing a
16 mutually agreeable alternative to mortgage foreclosure litigation
17 and to avoid the harmful effects of residential property foreclosure
18 on homeowners, families, and communities.

19 b. For the purposes of P.L. , c. (C.) (pending before
20 the Legislature as this bill):

21 "Eligible property" means an owner-occupied one- to three-
22 family residential property that is the homeowner-borrower's
23 primary residence.

24 "Foreclosure Mediation Program" or "mediation program" means
25 the New Jersey Judiciary's Foreclosure Mediation Program as
26 authorized by the Supreme Court of New Jersey.

27 "Homeowner-borrower" means the borrower on a mortgage loan
28 for an eligible property that is subject to a foreclosure complaint
29 filed by the lender or an assignee.

30
31 3. (New section) The homeowner-borrower shall receive
32 written notice of the option to participate in the Foreclosure
33 Mediation Program in accordance with the court rules, procedures,
34 and guidelines adopted by the Supreme Court at the time the
35 homeowner-borrower receives a notice of intention to foreclose,
36 pursuant to section 4 of P.L.1995, c.244 (C.2A:50-56). Upon the
37 filing of a mortgage foreclosure complaint against an eligible
38 property, the homeowner-borrower shall again receive written
39 notice of the option to participate in the Foreclosure Mediation
40 Program in accordance with the court rules, procedures, and
41 guidelines adopted by the Supreme Court. The written notice
42 required pursuant to this section shall be available in both English
43 and Spanish.

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 4. (New section) a. (1) A court may order mediation whenever
2 a homeowner-borrower files an answer to a foreclosure complaint.

3 (2) Alternatively, the homeowner-borrower may initiate the
4 process for scheduling mediation by submitting a mediation request
5 to the court, along with any other documents required by the
6 Supreme Court. The deadline for mediation request submission
7 shall be determined by the court rules, procedures, and guidelines
8 adopted by the Supreme Court.

9 b. After requesting mediation, the homeowner-borrower may
10 seek to stay the sheriff's sale in accordance with applicable court
11 rules and procedures.

12 c. The homeowner-borrower shall not be required to pay any
13 fees to participate in the mediation program.

14

15 5. (New section) a. Whenever a person submits a mediation
16 request or is ordered to participate in the mediation program, that
17 person may be responsible for submitting a certification document
18 to the court, confirming that they meet the definition of a
19 homeowner-borrower and that the property being foreclosed upon
20 continues to be an eligible property pursuant to subsection b. of
21 section 2 of P.L. , c. (C.) (pending before the Legislature
22 as this bill).

23 b. Each party shall participate in foreclosure mediation in good
24 faith. A good faith effort includes, but is not limited to, the
25 mortgage lender or its servicer attending the mediation session in
26 person or by telephone through a person with the authority to
27 consider alternatives to foreclosure so that the parties may reach a
28 mutually acceptable loan modification, loan workout, refinancing
29 agreement, or other resolution. If any party or attorney for a party
30 fails to attend a mediation session or to make a good faith effort to
31 mediate, the court, in addition to any sanction the court deems
32 appropriate, may sanction a party or attorney for a violation of this
33 subsection with a civil penalty of up to \$1,000 or allow a party to
34 recover reasonable attorney's fees or litigation expenses, or both.
35 In determining the type of sanction to impose against a party, the
36 court may consider whether the conduct was intentional and
37 whether the party has engaged in a pattern of similar conduct with
38 respect to the current complaint or any previous complaints.

39

40 6. (New section) There is created in the General Fund a
41 dedicated, non-lapsing fund to be known as the "Foreclosure
42 Mediation Fund," to be held separate and apart from all other funds
43 of the State. The fund shall be administered by the Administrative
44 Office of the Courts. In each action for foreclosure, the plaintiff
45 shall pay \$50 to the clerk of the court in addition to the fee
46 associated with the filing of the first paper, and all monies collected
47 from each civil penalty imposed for violations of subsection b. of
48 section 5 of P.L. , c. (C.) (pending before the Legislature

1 as this bill), shall be deposited in the fund. The monies shall be
2 appropriated annually by the Legislature to the Administrative
3 Office of the Courts for the purposes of the operation of the
4 Foreclosure Mediation Program and to enhance the integrity of the
5 mortgage foreclosure review process. All interest or other income
6 earned on monies deposited into the fund, and any monies that may
7 be appropriated or otherwise become available for the purpose of
8 the fund, shall be credited and deposited into the fund.

9
10 7. Section 4 of P.L.1995, c.244 (C.2A:50-56) is amended to
11 read as follows:

12 4. a. Upon failure to perform any obligation of a residential
13 mortgage by the residential mortgage debtor and before any
14 residential mortgage lender may accelerate the maturity of any
15 residential mortgage obligation and commence any foreclosure or
16 other legal action to take possession of the residential property
17 which is the subject of the mortgage, the residential mortgage
18 lender shall give the residential mortgage debtor notice of such
19 intention at least 30 days in advance of such action as provided in
20 this section.

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

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

- 30 (1) the particular obligation or real estate security interest;
31 (2) the nature of the default claimed;
32 (3) the right of the debtor to cure the default as provided in
33 section 5 of **【this act】** P.L.1995, c.244 (C.2A:50-57);
34 (4) what performance, including what sum of money, if any,
35 and interest, shall be tendered to cure the default as of the date
36 specified under paragraph (5) of this subsection c.;
37 (5) the date by which the debtor shall cure the default to avoid
38 initiation of foreclosure proceedings, which date shall not be less
39 than 30 days after the date the notice is effective, and the name and
40 address and phone number of a person to whom the payment or
41 tender shall be made;
42 (6) that if the debtor does not cure the default by the date
43 specified under paragraph (5) of this subsection c., the lender may
44 take steps to terminate the debtor's ownership in the property by
45 commencing a foreclosure suit in a court of competent jurisdiction;
46 (7) that if the lender takes the steps indicated pursuant to
47 paragraph (6) of this subsection c., a debtor shall still have the right
48 to cure the default pursuant to section 5 of **【this act】** P.L.1995,

1 c.244 (C.2A:50-57), but that the debtor shall be responsible for the
2 lender's court costs and attorneys' fees in an amount not to exceed
3 that amount permitted pursuant to the Rules Governing the Courts
4 of the State of New Jersey;

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

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

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

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

30 (12) that if the lender takes the steps indicated pursuant to
31 paragraph (6) of this subsection, the debtor has the option to
32 participate in the Foreclosure Mediation Program by submitting a
33 mediation request to the court following the filing of a mortgage
34 foreclosure complaint. Notice of the option to participate in the
35 Foreclosure Mediation Program shall adhere to the requirements of
36 section 3 of P.L. , c. (C.) (pending before the Legislature
37 as this bill) and any court rules, procedures, or guidelines adopted
38 by the Supreme Court.

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

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

1 f. Compliance with this section shall be set forth in the
2 pleadings of any legal action referred to in this section. If the
3 plaintiff in any complaint seeking foreclosure of a residential
4 mortgage alleges that the property subject to the residential
5 mortgage has been abandoned or voluntarily surrendered, the
6 plaintiff shall plead the specific facts upon which this allegation is
7 based.

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

9
10 8. This act shall take effect immediately.

11
12
13 STATEMENT

14
15 This bill codifies into law New Jersey's Foreclosure Mediation
16 Program, established in 2009 by the New Jersey Judiciary in
17 response to an alarming increase in residential foreclosures. The
18 bill also strengthens the program to more effectively protect home
19 ownership in New Jersey.

20 The bill requires that, at the time the homeowner-borrower
21 receives a notice of intention to foreclose, pursuant to section 4 of
22 P.L.1995, c.244 (C.2A:50-56), a homeowner-borrower must receive
23 written notice of the option to participate in the program. Upon the
24 filing of a mortgage foreclosure complaint against an eligible
25 property, the homeowner-borrower must again receive written
26 notice of the option to participate. The written notice must be
27 available in both English and Spanish.

28 The bill authorizes eligible homeowners to submit a mediation
29 request, thereby initiating the process of scheduling a mediation
30 session with their lender. Along with the mediation request, the
31 homeowner may be required to submit additional information
32 necessary for creating a loan modification, or other agreement, but
33 will not have to pay any fees to participate in the program. The bill
34 requires lenders to have a representative attend the mediation
35 session, either in person or by telephone, who has authority to reach
36 a mutually acceptable loan modification, loan workout, refinancing
37 agreement, or other resolution. If either party fails to attend a
38 mediation session or make a good faith effort to mediate, courts will
39 have the authority to penalize the party through a fine of up to
40 \$1,000, through allowing the other party to recover reasonable
41 attorney's fees and litigation expenses, or through any other
42 sanction the court deems appropriate.

43 The bill provides that in each action for foreclosure, a plaintiff
44 will be required to pay a fee of \$50 to the clerk of the court, in
45 addition to the fee associated with filing the first paper, which fee
46 amount is currently set at \$250 pursuant to R.1:43 of the Rules of
47 Court.

S1244 RICE, SINGLETON

7

1 The bill creates a dedicated, non-lapsing fund in the General
2 Fund to be known as the “Foreclosure Mediation Fund.” The fund
3 is to be the depository for collections from the \$50 fee established
4 in section 6 of the bill, along with all fines imposed on lenders for
5 noncompliance with obligations of the mediation program found in
6 subsection b. of section 5 of the bill. The bill provides for the
7 Legislature to annually appropriate monies deposited to the fund to
8 the Administrative Office of the Courts for the purposes of the
9 operation of the program and to enhance the integrity of the
10 mortgage foreclosure review process.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1244

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2019

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 1244, with committee amendments.

As amended, this bill codifies the Judiciary's Foreclosure Mediation Program into the New Jersey Statutes, and makes various adjustments to the program. The program has existed since 2008, when it was established by the State Judiciary in response to an increase in residential foreclosures.

The bill requires that at the time a homeowner receives a notice of intention to foreclose pursuant to section 4 of P.L.1995, c.244 (C.2A:50-56), the homeowner must receive written notice of the option to participate in the Foreclosure Mediation Program. Upon the filing of a mortgage foreclosure complaint against an eligible property, the homeowner again must receive written notice of the option to participate in the Foreclosure Mediation Program. The written notice must be available in both English and Spanish.

The bill authorizes eligible homeowners to initiate mediation in accordance with court rules. When initiating mediation, the homeowner would be required to submit a certification document, signed by a foreclosure prevention and default mitigation counselor, to verify that that this professional is providing the homeowner with counseling. The homeowner would not have to pay any fees to participate in the program. The bill requires lenders to have a representative attend the mediation session, either in person or by telephone, who has authority to reach a mutually acceptable loan modification, loan workout, refinancing agreement, or other resolution. If either party fails to attend a mediation session, the courts will have the authority to penalize the party through a fine of up to \$1,000, through allowing the other party to recover reasonable attorney's fees and litigation expenses, or through any other sanction the court deems appropriate.

The bill also creates a dedicated, non-lapsing fund within the General Fund to be known as the "Foreclosure Mediation Fund." This fund would be comprised of a \$75 payment added to every foreclosure complaint filing fee, along with all fines imposed on lenders for noncompliance with obligations of the mediation program. The fund

would be used for the operation of the mediation program, including the compensation of mediators, and to enhance the integrity of the mortgage foreclosure review process. For each \$75 fee collected, \$25 is required to be used to reimburse trained foreclosure prevention and default mitigation counselors for their services pursuant to the bill.

The bill would require the Judiciary to compile information related to mediation sessions on their website in order to more effectively understand the frequency of the program's success. The bill would take effect on the first day of the seventh month following enactment.

COMMITTEE AMENDMENTS:

The committee amendments:

(1) direct the courts to provide a homeowner with no less than 60 days to initiate mediation following receipt of a foreclosure complaint. However, the amendments remove language related to the ability to stay a sheriff's sale in association with a mediation request. The amendments also prohibit participation in foreclosure mediation unless a certification document is submitted to the court.

(2) clarify that the certification document, which primarily clarifies that the homeowner is eligible to participate in mediation, must be signed by a foreclosure prevention and default mitigation counselor to verify that that this professional is counseling the homeowner.

(3) add a definition of "certification document," and "trained foreclosure prevention and default mitigation counselor," and adjust the definition of "homeowner-borrower." Through changes to the "eligible property" definition, the amendments expand the types of property owners who may participate in the program to include owners of one- to four-dwelling unit residences, so long as one dwelling unit is occupied, or planned to be occupied, by the homeowner or a member of the homeowner's immediate family.

(4) require attendance by each party in a mediation session, but remove the requirement for good faith participation by each party.

(5) add a new section to the bill to require the Judiciary to compile information related to mediation sessions on their website in order to more effectively understand the frequency of the program's success.

(6) provide for a \$75 filing fee for the Foreclosure Mediation Fund, which is meant to be in addition to the \$250 complaint filing fee. The amendments also specify that the Foreclosure Mediation Fund shall be used to compensate mediators, in addition to its other purposes. For each \$75 fee collected, \$25 is to be used to reimburse trained foreclosure prevention and default mitigation counselors for their services pursuant to the bill.

(7) make technical changes to the bill and delay the effective date of the bill until the first day of the seventh month following enactment.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1244

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 4, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1244 (1R), with committee amendments.

Senate Bill No. 1244 (1R), with committee amendments, codifies the Judiciary's Foreclosure Mediation Program and makes various adjustments to the program. The program has existed since 2008, when it was established by the Judiciary in response to an increase in residential foreclosures.

The bill requires that at the time a homeowner receives a notice of intention to foreclose pursuant to section 4 of P.L.1995, c.244 (C.2A:50-56), the homeowner has to be given written notice of the option to participate in the Foreclosure Mediation Program. Upon the filing of a mortgage foreclosure complaint against an eligible property, the homeowner again has to be given written notice of the option to participate in the Foreclosure Mediation Program. The written notice has to be available in both English and Spanish.

The bill authorizes eligible homeowners to initiate mediation in accordance with court rules. When initiating mediation, the homeowner would be required to submit a certification document, signed by a foreclosure prevention and default mitigation counselor, to verify that that this professional is providing the homeowner with counseling. The homeowner would not have to pay any fees to participate in the program. The bill requires lenders to have a representative attend the mediation session, either in person or by telephone, who has authority to reach a mutually acceptable loan modification, loan workout, refinancing agreement, or other resolution. If either party fails to attend a mediation session, the courts will have the authority to penalize the party through a fine of up to \$1,000, through allowing the other party to recover reasonable attorney's fees and litigation expenses, or through any other sanction the court deems appropriate.

The bill also creates a dedicated, non-lapsing fund within the General Fund to be known as the "Foreclosure Mediation Fund." This fund would be comprised of \$60 out of each \$155 payment added to every foreclosure complaint filing fee, along with all fines imposed on

lenders for noncompliance with obligations of the mediation program. The fund would be used for the operation of the mediation program, including the compensation of mediators, and to enhance the integrity of the mortgage foreclosure review process. For each \$155 fee collected, \$95 is required to be used to reimburse trained foreclosure prevention and default mitigation counselors for their services pursuant to the bill.

The bill would require the Judiciary to compile information related to mediation sessions on their website in order to more effectively understand the frequency of the program's success. The bill would take effect on the first day of the seventh month following enactment.

COMMITTEE AMENDMENTS:

The committee amendments provide that in each action for foreclosure, the plaintiff would be required to pay a fee of \$155, instead of \$75 as previously provided, to the clerk of the court in addition to the fee associated with the filing of the first paper. Of that \$155 payment, \$60, instead of \$50 as previously provided, and all monies collected from each civil penalty for violations of certain provisions of the bill would be required to be deposited in the Foreclosure Mediation Fund. The remaining \$95, instead of \$25 as previously provided, collected would be required to be used to reimburse trained foreclosure prevention and default mitigation counselors for their services.

FISCAL IMPACT:

The Administrative Office of the Courts (AOC) estimates that based on the number of foreclosure cases filed in recent years, 20,000 foreclosure cases would be filed annually.

The Office of Legislative Services (OLS) notes that the new \$155 fee for each foreclosure complaint would result in \$3,100,000 (20,000 filings x \$155) collected. The OLS is unable to estimate the revenue generated via the civil penalties. Of that \$3,100,000, \$1,200,000 (20,000 filings x \$60) would be deposited into the "Foreclosure Mediation Fund" and \$1,900,000 (20,000 filings x \$95) would be used to reimburse the trained foreclosure prevention and default mitigation counselors for their services.

Since the current costs of the Foreclosure Mediation Program were not provided by the AOC and are not independently reported elsewhere, the OLS is unable to provide a reliable estimate regarding expenditures associated with the program.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 1244 STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 11, 2019

SUMMARY

- Synopsis:** Codifies the Judiciary's Foreclosure Mediation Program; dedicates monies from foreclosure filing fees and fines.
- Type of Impact:** Annual State revenue and expenditure increases, General Fund.
- Agencies Affected:** The Judiciary.

Office of Legislative Services Estimate

| Fiscal Impact | |
|-----------------------------------|----------------------------|
| Annual State Revenue Increase | \$3,100,000 to \$6,200,000 |
| Annual State Expenditure Increase | Indeterminate |

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State revenue by \$3.1 million to \$6.2 million from the imposition of a \$155 fee payable to the Judiciary by the plaintiff when filing a foreclosure complaint. Fee collections are to support the Foreclosure Mediation Program.
- The Foreclosure Mediation Program will receive additional indeterminate revenue from civil penalties of up to \$1,000 that are to be imposed by the courts for the failure to attend a foreclosure mediation session. The Administrative Office of the Courts (AOC) estimated previously that penalty payments would likely be nominal.
- The bill may increase annual State expenditures by an indeterminate amount to the extent that the bill adds to the responsibilities of the Judiciary under the existing Foreclosure Mediation Program, results in caseload growth, or causes operational changes. The OLS, however, is not in a position to anticipate AOC operating decisions in response to the bill.

BILL DESCRIPTION

This bill codifies the Judiciary's existing Foreclosure Mediation Program into the New Jersey Statutes, makes various adjustments to the program, and provides a permanent funding source therefor; all effective on the first day of the seventh month following enactment.

Specifically, the bill requires that a homeowner receive written notice of the option to participate in the Foreclosure Mediation Program with a notice of intention to foreclose and again upon the filing of a mortgage foreclosure complaint.

An eligible homeowner-borrower may initiate mediation in accordance with court rules or a court may order mediation whenever a homeowner contests a foreclosure complaint. When initiating mediation, the homeowner would be required to submit a certification document, signed by a trained foreclosure prevention and default mitigation counselor.

The bill requires lenders to have a representative attend the mediation session, either in person or by telephone, who has authority to reach a mutually acceptable loan modification or other resolution. If either party fails to attend a mediation session, the court may, in addition to any other sanction the court deems appropriate, fine the absentee up to \$1,000, or allow the other party to recover reasonable attorney's fees and litigation expenses, or both.

The bill imposes an additional \$155 fee on every foreclosure complaint filing to support the Foreclosure Mediation Program. Of that amount, \$95 is required to be used to reimburse trained foreclosure prevention and default mitigation counselors for their services.

The remaining \$60, as well as any penalty collected for the failure to attend a mediation session, is to be deposited into the "Foreclosure Mediation Fund;" a dedicated, non-lapsing fund to be established within the General Fund. Fund balances would be used to operate the mediation program and to enhance the integrity of the mortgage foreclosure review process.

Lastly, the Judiciary is to compile and publish on its webpage annual program statistics.

FISCAL ANALYSIS

JUDICIAL BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State revenue by \$3.1 million to \$6.2 million, and may raise annual State expenditures by an indeterminate amount.

The bill creates two new State revenue streams to support the Foreclosure Mediation Program: a \$155 fee that a plaintiff must pay when filing a foreclosure complaint and civil penalties of up to \$1,000 for the failure to attend a foreclosure mediation session.

The OLS estimates that the \$155 fee will generate between \$3.1 million and \$6.2 million per year. Between \$1.9 million and \$3.8 million of the projected total will compensate trained foreclosure prevention and default mitigation counselors for their services. The remaining \$1.2 million to \$2.4 million will be deposited into the Foreclosure Mediation Fund.

The lower end of the estimated range assumes 20,000 foreclosure complaints per year, which is consistent with an informal estimate provided by the AOC based on recent trends. The upper end assumes 40,000 complaints per year. The relatively wide range takes into account the significant fluctuation in the annual number of foreclosure complaints in the last 15 years. In FY 2006, for example, there were 21,752 foreclosure complaints. The number peaked at 65,222 in FY 2010 following the Great Recession and has been receding since. In reply to an FY 2018 OLS Discussion Point, the AOC reported 45,806 foreclosure complaints in FY 2016. The AOC now projects the filing of 20,000 foreclosure complaints per year based on most recent trends.

The OLS has no informational basis for estimating the revenue that the new civil penalty may generate. In its December 2017 estimate for the substantively similar Senate Bill No. 1130

(1R) of 2016, however, the AOC noted that prior experience with Foreclosure Mediation Program participants suggested that revenue generated via civil penalties would be nominal.

Concerning the bill's potential annual State expenditure increase, the bill largely codifies the existing Foreclosure Mediation Program and does not establish a new program. However, the bill assigns additional responsibilities to the Judiciary, such as the requirement to compile and publish on its webpage annual program statistics. Moreover, the funding the bill provides for the program may lead to caseload growth or operational changes. The extent to which the bill may ultimately increase annual AOC operating expenditures will largely depend on AOC operating decisions, which the OLS cannot anticipate absent information from the AOC.

The Foreclosure Mediation Program began in January 2009 as a collaboration of the Judiciary, the New Jersey Housing and Mortgage Finance Agency (NJHMFA), the Office of Dispute Settlement in the Office of the Public Defender, Legal Services of New Jersey, and the Office of the Attorney General. The NJHMFA provided free trained housing counselors to eligible homeowners, while the Office of Dispute Settlement provided the mediation services and generally administered the program.

The program was originally funded through P.L.2008, c.104, which appropriated \$10.0 million from the Long Term Obligation and Capital Expenditure Fund for foreclosure mediation and \$2.5 million for NJHMFA-provided mortgage counseling. According to the Judiciary's August 2018 "Report of the Special Committee on Residential Foreclosures," these funds were supplemented by the proceeds of certain federal and State settlements with lenders that had engaged in improper practices. These were non-permanent funding sources.

According to the August 2018 report, by 2015 housing counselor services could no longer be sustained, and by 2017 the Office of Dispute Settlement ceased the mediation program. The Judiciary then absorbed and restructured the program in the Superior Court Clerk's Office. The mediations are currently conducted by trained Judiciary staff, rather than by paid mediators. The OLS has no information on the program's current operating expenditures.

Furthermore, on August 14, 2018, the NJHMFA announced the restart of its housing counselor program. The agency intended to allocate \$1 million to the program to provide assistance to homeowners who wish to participate in the Foreclosure Mediation Program. Under the initiative, at least two participating counseling agencies are to serve each county.

Section: Judiciary

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Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



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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."

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Governor Phil Murphy

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