

# 2A:50-56

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2003                    **CHAPTER:** 298

**NJSA:** 2A:50-56            (Mortgage lenders to include list of financial assistance programs)

**BILL NO:** A2802            (Substituted for S2622)

**SPONSOR(S):** Diegnan and Barnes

**DATE INTRODUCED:** September 30, 2002

**COMMITTEE:**            **ASSEMBLY:** Banking and Insurance

**SENATE:** Commerce

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**            **ASSEMBLY:** November 18, 2002

**SENATE:** January 12, 2004

**DATE OF APPROVAL:** January 14, 2004

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) (Original version of bill enacted)

### A2802

**[SPONSOR'S STATEMENT:](#)** (Begins on page 4 of original bill)            [Yes](#)

**COMMITTEE STATEMENT:**    **[ASSEMBLY:](#)**            [Yes](#)

**[SENATE:](#)**    [Yes](#)

**FLOOR AMENDMENT STATEMENT:**    No

**LEGISLATIVE FISCAL ESTIMATE:**    No

### S2622

**[SPONSOR'S STATEMENT:](#)** (Begins on page 4 of original bill)            [Yes](#)

Bill and Sponsors Statement identical to A2802

**COMMITTEE STATEMENT:**    **ASSEMBLY:**            No

**[SENATE:](#)**    [Yes](#)  
Identical to Senate Statement for A2802

**FLOOR AMENDMENT STATEMENT:**    No

**LEGISLATIVE FISCAL ESTIMATE:**    No

**VETO MESSAGE:**    No

**GOVERNOR'S PRESS RELEASE ON SIGNING:**    No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

P.L. 2003, CHAPTER 298, *approved January 14, 2004*  
Assembly, No. 2802

1 AN ACT concerning foreclosure of residential property and amending  
2 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 read  
8 as follows:

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

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

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

- 26 (1) the particular obligation or real estate security interest;  
27 (2) the nature of the default claimed;  
28 (3) the right of the debtor to cure the default as provided in section  
29 5 of this act;  
30 (4) what performance, including what sum of money, if any, and  
31 interest, shall be tendered to cure the default as of the date specified  
32 under paragraph (5) of this subsection c.;  
33 (5) the date by which the debtor shall cure the default to avoid  
34 initiation of foreclosure proceedings, which date shall not be less than  
35 30 days after the date the notice is effective, and the name and address  
36 and phone number of a person to whom the payment or tender shall be  
37 made;  
38 (6) that if the debtor does not cure the default by the date specified  
39 under paragraph (5) of this subsection c., the lender may take steps to  
40 terminate the debtor's ownership in the property by commencing a  
41 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 paragraph  
2 (6) of this subsection c., a debtor shall still have the right to cure the  
3 default pursuant to section 5 of this act, but that the debtor shall be  
4 responsible for the lender's court costs and attorneys' fees in an  
5 amount not to exceed that amount permitted pursuant to the Rules  
6 Governing the Courts of the State of New Jersey;

7 (8) the right, if any, of the debtor to transfer the real estate to  
8 another person subject to the security interest and that the transferee  
9 may have the right to cure the default as provided in this act, subject  
10 to the mortgage documents;

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

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

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

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

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

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

46 (cf: P.L.1995, c.244, s.4)

1       2. This act shall take effect immediately.

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3

4

STATEMENT

5

6       This bill clarifies that, whenever a mortgage lender initiates a  
7 foreclosure or other legal action to take possession of residential  
8 property, the lender shall include with the notice of intention to  
9 foreclose, a list of programs operated by the State or federal  
10 government or nonprofit organizations which provide financial  
11 assistance for curing a default.

12

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16       Requires mortgage lenders to include list of financial assistance  
17 programs with notice of intention to foreclose.

# ASSEMBLY, No. 2802

## STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED SEPTEMBER 30, 2002

**Sponsored by:**

**Assemblyman PATRICK DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblyman PETER J. BARNES, JR.**

**District 18 (Middlesex)**

**Co-Sponsored by:**

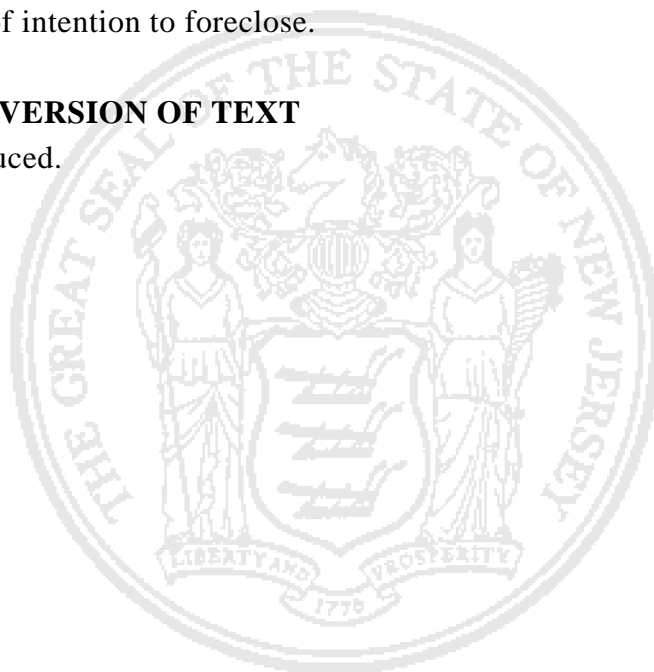
**Assemblyman Chivukula, Assemblywoman Previte, Assemblymen Wisniewski, Guear, Johnson, Fisher, Conaway, Conners, Eagler, Gusciora, S.Kean and Senator Buono**

**SYNOPSIS**

Requires mortgage lenders to include list of financial assistance programs with notice of intention to foreclose.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/13/2004)**

A2802 DIEGNAN, BARNES

2

1 AN ACT concerning foreclosure of residential property and amending  
2 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 read  
8 as follows:

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

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

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

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

27 (2) the nature of the default claimed;

28 (3) the right of the debtor to cure the default as provided in section  
29 5 of this act;

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

33 (5) the date by which the debtor shall cure the default to avoid  
34 initiation of foreclosure proceedings, which date shall not be less than  
35 30 days after the date the notice is effective, and the name and address  
36 and phone number of a person to whom the payment or tender shall be  
37 made;

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

42 (7) that if the lender takes the steps indicated pursuant to paragraph  
43 (6) of this subsection c., a debtor shall still have the right to cure the

**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 default pursuant to section 5 of this act, but that the debtor shall be  
2 responsible for the lender's court costs and attorneys' fees in an  
3 amount not to exceed that amount permitted pursuant to the Rules  
4 Governing the Courts 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, subject  
8 to the mortgage documents;

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

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

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

29 d. The notice of intention to foreclose required to be provided  
30 pursuant to this section shall not be required if the debtor has  
31 voluntarily surrendered the property which is the subject of the  
32 residential mortgage.

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

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

44 (cf: P.L.1995, c.244, s.4)

45  
46 2. This act shall take effect immediately.



1 STATEMENT

2

3 This bill clarifies that, whenever a mortgage lender initiates a  
4 foreclosure or other legal action to take possession of residential  
5 property, the lender shall include with the notice of intention to  
6 foreclose, a list of programs operated by the State or federal  
7 government or nonprofit organizations which provide financial  
8 assistance for curing a default.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2802**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 7, 2002

The Assembly Banking and Insurance Committee reports favorably  
Assembly Bill No. 2802.

This bill clarifies that, whenever a mortgage lender initiates a foreclosure or other legal action to take possession of residential property, the lender shall include with the notice of intention to foreclose, a list of programs operated by the State or federal government or nonprofit organizations which provide financial assistance for curing a default.

SENATE COMMERCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2802**

**STATE OF NEW JERSEY**

DATED: JUNE 12, 2003

The Senate Commerce Committee reports favorably Assembly Bill No. 2802.

This bill clarifies that, whenever a mortgage lender initiates a foreclosure or other legal action to take possession of residential property, the lender shall include, with the notice of intention to foreclose, a list of programs operated by the State or federal government or nonprofit organizations which provide financial assistance for curing a default.

**SENATE, No. 2622**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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INTRODUCED JUNE 9, 2003

**Sponsored by:**  
**Senator BARBARA BUONO**  
**District 18 (Middlesex)**

**SYNOPSIS**

Requires mortgage lenders to include list of financial assistance programs with notice of intention to foreclose.

**CURRENT VERSION OF TEXT**

As introduced.



S2622 BUONO

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2 P.L.1995, c.244.

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27 (2) the nature of the default claimed;

28 (3) the right of the debtor to cure the default as provided in section  
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30 (4) what performance, including what sum of money, if any, and  
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33 (5) the date by which the debtor shall cure the default to avoid  
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3 amount not to exceed that amount permitted pursuant to the Rules  
4 Governing the Courts 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, subject  
8 to the mortgage documents;

9 (9) that the debtor is advised to seek counsel from an attorney of  
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11 mortgage default situation, and that, if the debtor is unable to obtain  
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13 Association or Lawyer Referral Service in the county in which the  
14 residential property securing the mortgage loan is located; and that, if  
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18 (10) the possible availability of financial assistance for curing a  
19 default from programs operated by the State or federal government or  
20 nonprofit organizations, if any, as identified by the Commissioner of  
21 Banking and Insurance. This requirement [~~may~~] shall be satisfied by  
22 attaching a list of such programs promulgated by the commissioner;  
23 and

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

29 d. The notice of intention to foreclose required to be provided  
30 pursuant to this section shall not be required if the debtor has  
31 voluntarily surrendered the property which is the subject of the  
32 residential mortgage.

33 e. The duty of the lender under this section to serve notice of  
34 intention to foreclose is independent of any other duty to give notice  
35 under the common law, principles of equity, State or federal statute,  
36 or rule of court and of any other right or remedy the debtor may have  
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40 complaint seeking foreclosure of a residential mortgage alleges that  
41 the property subject to the residential mortgage has been abandoned  
42 or voluntarily surrendered, the plaintiff shall plead the specific facts  
43 upon which this allegation is based.

44 (cf: P.L.1995, c.244, s.4)

45  
46 2. This act shall take effect immediately.

**S2622 BUONO**

4

1 STATEMENT

2

3 This bill clarifies that, whenever a mortgage lender initiates a  
4 foreclosure or other legal action to take possession of residential  
5 property, the lender shall include with the notice of intention to  
6 foreclose, a list of programs operated by the State or federal  
7 government or nonprofit organizations which provide financial  
8 assistance for curing a default.

SENATE COMMERCE COMMITTEE

STATEMENT TO

**SENATE, No. 2622**

**STATE OF NEW JERSEY**

DATED: JUNE 12, 2003

The Senate Commerce Committee reports favorably Senate Bill No. 2622.

This bill clarifies that, whenever a mortgage lender initiates a foreclosure or other legal action to take possession of residential property, the lender shall include, with the notice of intention to foreclose, a list of programs operated by the State or federal government or nonprofit organizations which provide financial assistance for curing a default.