

# ASSEMBLY, No. 5001

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 7, 2019

**Sponsored by:**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Senator DAWN MARIE ADDIEGO**

**District 8 (Atlantic, Burlington and Camden)**

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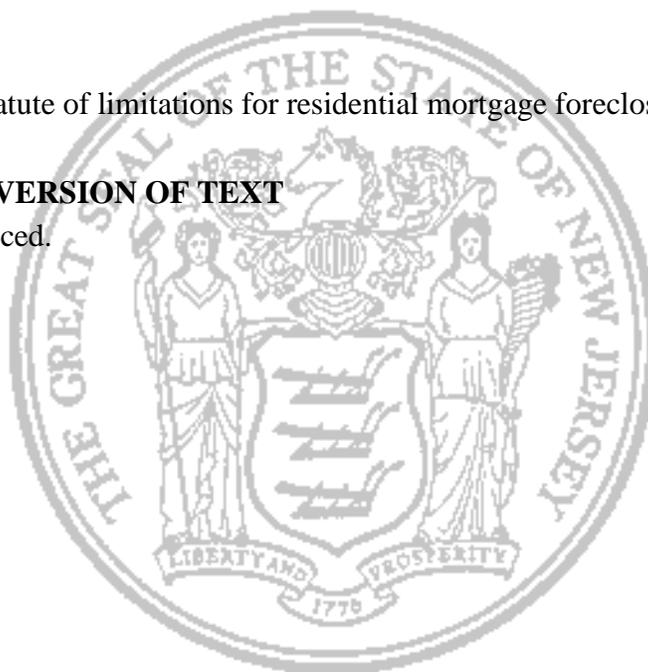
**Assemblywoman Murphy, Assemblymen Houghtaling and McKeon**

**SYNOPSIS**

Revises statute of limitations for residential mortgage foreclosures.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/26/2019)**

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1 AN ACT concerning certain mortgage foreclosures and amending  
2 P.L.2009, c.105.

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

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7 1. Section 1 of P.L.2009, c.105 (C.2A:50-56.1) is amended to  
8 read as follows:

9 1. An action to foreclose a residential mortgage shall not be  
10 commenced following the earliest of:

11 a. Six years from the date fixed for the making of the last  
12 payment or the maturity date set forth in the mortgage or the note,  
13 bond, or other obligation secured by the mortgage, whether the date  
14 is itself set forth or may be calculated from information contained  
15 in the mortgage or note, bond, or other obligation, except that if the  
16 date fixed for the making of the last payment or the maturity date  
17 has been extended by a written instrument, the action to foreclose  
18 shall not be commenced after six years from the extended date  
19 under the terms of the written instrument;

20 b. Thirty-six years from the date of recording of the mortgage,  
21 or, if the mortgage is not recorded, 36 years from the date of  
22 execution, so long as the mortgage itself does not provide for a  
23 period of repayment in excess of 30 years; or

24 c. **Twenty** Six years from the date on which the debtor  
25 defaulted, which default has not been cured, as to any of the  
26 obligations or covenants contained in the mortgage or in the note,  
27 bond, or other obligation secured by the mortgage, except that if the  
28 date to perform any of the obligations or covenants has been  
29 extended by a written instrument or payment on account has been  
30 made, the action to foreclose shall not be commenced after **20** six  
31 years from the date on which the default or payment on account  
32 thereof occurred under the terms of the written instrument.

33 (cf: P.L.2009, c.105, s.1)

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35 2. This act shall take effect immediately and apply to  
36 residential mortgages executed on or after the effective date.

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STATEMENT

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41 This bill reduces the statute of limitations in residential mortgage  
42 foreclosure actions from 20 years to six years from the date on  
43 which the debtor defaulted, in situations in which the date of default  
44 is used as the method to determine when the statute of limitations  
45 has expired.

**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.

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1        Thus, the bill revises the alternative methods under the “Fair  
2 Foreclosure Act” for determining when the statute of limitations for  
3 the foreclosure of a residential mortgage has expired by providing  
4 that an action shall not be commenced following the earliest of: (1)  
5 six years from the date fixed for the making of the last payment; (2)  
6 thirty-six years from the date of recording of the mortgage; or (3)  
7 six years from the date on which the debtor defaulted.