

[First Reprint]

ASSEMBLY, No. 5096

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED FEBRUARY 25, 2019

Sponsored by:

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District 2 (Atlantic)

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District 11 (Monmouth)

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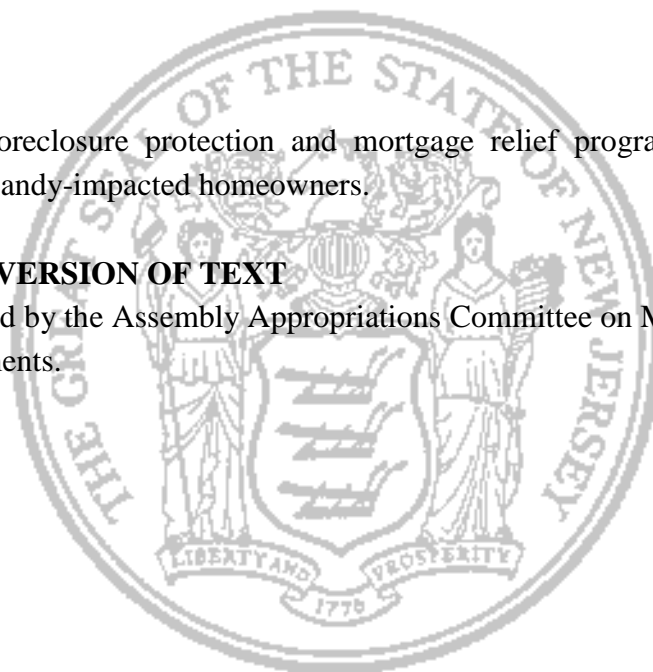
Assemblyman Karabinchak, Assemblywomen Downey, Gove, Assemblymen Rumpf, Wolfe, McGuckin, Assemblywomen DiMaso, Pinkin, Lopez, Senators Brown, Gopal, Connors, Holzapfel, O'Scanlon, Singer and Thompson

SYNOPSIS

Extends foreclosure protection and mortgage relief programs for certain Superstorm Sandy-impacted homeowners.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on March 18, 2019, with amendments.



(Sponsorship Updated As Of: 6/21/2019)

1 AN ACT concerning Superstorm Sandy recovery and amending and
2 supplementing P.L.2017, c.15.

3

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

6

7 1. (New section) The Legislature finds and declares that:

8 a. Many families have experienced an economic crisis as a
9 result of Superstorm Sandy that has continued for far longer than
10 could have been expected when the storm hit;

11 b. Although the storm made landfall over six years ago, more
12 than 1,000 families who qualified to receive federal recovery
13 funding still have not been able to complete the rehabilitation of
14 their homes, or move back in;

15 c. Many of the families who have not been able to return to
16 their homes have continued to be responsible for the expenses
17 associated with homeownership, while also paying to live
18 elsewhere;

19 d. In 2017, the Legislature enacted P.L.2017, c.15 (C.52:15D-
20 13 et al.), which offered certain homeowners impacted by
21 Superstorm Sandy temporary protections against foreclosure, and
22 required mortgage creditors to provide certain impacted persons a
23 temporary pause in mortgage payment obligations; and

24 e. Because so many families are still unable to return to their
25 homes, it is imperative for the Legislature to extend these
26 protections until, with limited exception, the earlier of July 1,
27 ¹**[2021]** 2022¹ or one year following the issuance of a certificate of
28 occupancy, allowing a return to their home.

29

30 2. Section 5 of P.L.2017, c.15 (C.52:15D-13) is amended to
31 read as follows:

32 5. a. A Sandy-impacted homeowner shall be eligible for a
33 forbearance regardless of whether the homeowner's primary
34 residence is already the subject of a foreclosure proceeding. The
35 Sandy-impacted homeowner shall apply to the commissioner, on
36 forms to be provided by the department, for a certification of
37 eligibility for the forbearance under this subsection before the first
38 day of the third month next following the date when the
39 commissioner makes the application available pursuant to
40 subparagraph (b) of paragraph (1) of subsection e. of this section.
41 The commissioner shall approve or deny an application within 30
42 days of its delivery to the commissioner. If the application is not
43 approved or denied within 30 days of its delivery, the application
44 shall be deemed approved.

45 b. The forbearance period shall conclude upon the earlier of:

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 AAP committee amendments adopted March 18, 2019.

1 (1) the conclusion of one year following issuance of a certificate
2 of occupancy for recovery and rebuilding program work;

3 (2) July 1, ~~2019~~ ¹~~2021~~ 2022¹; or

4 (3) regarding a property in foreclosure proceedings, upon the
5 expiration of 10 days following sheriff's sale.

6 c. Notwithstanding the provisions of any law, rule, or
7 regulation to the contrary, the repayment period of any mortgage
8 subject to the forbearance established in subsection a. of this section
9 shall be extended by the number of months the forbearance is in
10 effect. During the time of the forbearance and during the period
11 constituting an extension of the mortgage, all terms and conditions
12 of the original mortgage, except with regard to default and
13 delinquency during forbearance, shall continue without
14 modification, and there shall be no fees assessed for the
15 forbearance, or penalty for early repayment.

16 d. A Sandy-impacted homeowner who was the subject of a
17 foreclosure proceeding as of August 10, 2015, the effective date of
18 P.L.2015, c.102 (C.52:15D-3 et seq.) shall, upon good cause shown,
19 be awarded, by the court and upon application by the property
20 owner, a stay in the foreclosure proceedings. An application to the
21 court by a property owner under this subsection shall be made
22 before the first day of the fifth month next following the effective
23 date of P.L.2017, c.15, unless the courts in their discretion permit
24 application submission for a longer period. The receipt of rental
25 assistance from the Federal Emergency Management Agency as a
26 result of damage to the homeowner's primary residence due to
27 Superstorm Sandy, or approval for assistance through the RREM or
28 LMI program, shall constitute good cause for the award of a stay
29 under this subsection for a period concluding upon the earlier of:

30 (1) the conclusion of one year following issuance of a certificate
31 of occupancy for recovery and rebuilding program work; or

32 (2) July 1, ~~2019~~ ¹~~2021~~ 2022¹.

33 e. (1) Prior to the first day of the second month next following
34 the effective date of P.L.2017, c.15, the commissioner shall:

35 (a) notify as many Sandy-impacted homeowners as is
36 reasonably possible of eligibility for a forbearance or stay of
37 foreclosure proceedings;

38 (b) post information on eligibility and the application process
39 for the forbearance and stay of foreclosure proceedings, and make
40 forbearance applications available, on the department's Internet
41 website;

42 (c) notify the courts of what individuals and associated
43 properties are eligible for a forbearance or stay of foreclosure
44 proceedings; and

45 (d) to the greatest extent reasonably possible, notify the State's
46 active mortgage lenders of what individuals and associated
47 properties are eligible for a forbearance or stay of foreclosure
48 proceedings.

1 (2) Upon knowledge of a homeowner's eligibility for a
2 forbearance or stay of foreclosure proceedings, the mortgage lender
3 shall notify the homeowner and the courts.

4 (3) Upon approval of a forbearance application pursuant to
5 subsection a. of this section, the commissioner shall notify the
6 applicant, the mortgage lender, and the courts.

7 f. Sandy-impacted homeowners awarded a stay of foreclosure
8 proceedings or forbearance, or both, under this section shall be
9 responsible for the maintenance of the property during the stay or
10 period of forbearance, or both. After service of notice of any
11 proceedings conducted to terminate forbearance, made on the
12 mortgagor at an address determined pursuant to due diligence of the
13 movant mortgagee or creditor to be the actual current residence of
14 the mortgagor, providing opportunity for the mortgagor to respond
15 and contest the proceedings, a stay of foreclosure proceedings or
16 forbearance, or both, awarded under this section shall cease
17 immediately upon a court's determination that the subject residential
18 property has been abandoned by the Sandy-impacted homeowner.

19 g. Nothing in this section shall be construed as limiting the
20 ability of a mortgagee and residential property owner to participate
21 in a mediation sponsored by the Administrative Office of the Courts
22 in accordance with the requirements of the mediation program.
23 Nothing in this section shall be construed to impact property tax
24 and insurance obligations of a property owner related to any real
25 property in the State.

26 (cf: P.L.2017, c.15, s.5)

27

28 3. This act shall take effect immediately.