

P.L. 2019, CHAPTER 67, *approved April 29, 2019*
Assembly, No. 5001

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.

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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STATEMENT

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

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

Revises statute of limitations for residential mortgage foreclosures.