

SENATE RESOLUTION No. 63

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Urges financial institutions to provide forbearance for mortgage borrowers during coronavirus disease 2019 pandemic.

CURRENT VERSION OF TEXT

As introduced.



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1 A **SENATE RESOLUTION** urging financial institutions to provide
2 forbearance for mortgage borrowers during coronavirus disease
3 2019 pandemic.

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5 **WHEREAS**, As coronavirus disease 2019 spreads across the country,
6 the United States is facing the possibility of a pandemic on a scale
7 that has not been seen in over a century; and

8 **WHEREAS**, Numerous cases of coronavirus disease 2019 have been
9 identified in the State of New Jersey; and

10 **WHEREAS**, The Governor has declared a Public Health Emergency
11 and State of Emergency, and established curfew policies on
12 restaurants, bars, casinos, movie theaters, and other businesses in
13 agreement with the governors of neighboring states; and

14 **WHEREAS**, Many individuals have been practicing social distancing,
15 and avoiding locations and events where people congregate in order
16 to minimize their exposure to the coronavirus or prevent themselves
17 from unwittingly exposing others to the disease; and

18 **WHEREAS**, These enforced and common-sense health precautions
19 cause economic hardship to small businesses and their employees
20 who see a reduced clientele for their services or who may be forced
21 out of operation altogether; and

22 **WHEREAS**, The coronavirus disease 2019 pandemic may persist for an
23 unknown, and perhaps extended, duration of time, and continued
24 economic hardship may lead to considerable loss of income for
25 small business owners and employees, rendering them unable to
26 service their debt, including mortgages; and

27 **WHEREAS**, In Italy, a country that has already faced considerable
28 social and economic upheaval as a result of coronavirus disease
29 2019, the government has worked with banks to impose a
30 temporary suspension of mortgage payments for individuals and
31 families; and

32 **WHEREAS**, Under the Italian policy, mortgagees who can demonstrate
33 a financial impact may request from their lenders a suspension of
34 mortgage payments, either the full installment or just the principal,
35 until the end of the coronavirus disease 2019 emergency; and

36 **WHEREAS**, During this public health emergency, a mortgage
37 forbearance would help mortgagees, a reduction in mortgage
38 defaults would help the State and national economy overall; now,
39 therefore,

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41 **BE IT RESOLVED** *by the Senate of the State of New Jersey:*

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43 1. This House respectfully urges financial lending institutions
44 to provide forbearance toward mortgage borrowers for the duration
45 of the coronavirus disease 2019 emergency.

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1 2. Copies of this resolution, as filed with the Secretary of State,
2 shall be transmitted by the Secretary of the Senate to the Mortgage
3 Bankers Association of New Jersey and the national Mortgage
4 Bankers Association, with a request to disseminate it to their
5 membership.

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STATEMENT

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10 This resolution respectfully urges financial institutions to show
11 forbearance toward delinquent mortgage borrowers for the duration
12 of the coronavirus disease 2019 emergency. This action is similar to
13 that taken in Italy, where a temporary suspension of mortgage
14 payments has been imposed, if a mortgagee can demonstrate
15 financial impact. Forbearance toward delinquent mortgage
16 borrowers will help borrowers and the economy at large during this
17 public health crisis.

18 The resolution shall be transmitted by the Secretary of the Senate
19 to the Mortgage Bankers Association of New Jersey and the
20 national Mortgage Bankers Association, with a request to
21 disseminate it to their membership.