

[First Reprint]
ASSEMBLY, No. 2321

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1996

By Assemblymen AUGUSTINE and WEINGARTEN

1 AN ACT concerning the assignment of certain mortgages and
2 amending R.S.46:9-9.

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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. R.S.46:9-9 is amended to read as follows:

8 46:9-9. All mortgages on real estate in this State, and all covenants
9 and stipulations therein contained, shall be assignable at law by
10 writing, whether sealed or not, and any such assignment shall pass and
11 convey the estate of the assignor in the mortgaged premises, and the
12 assignee may sue thereon in his own name, but, in any such action by
13 the assignee, there shall be allowed all just set-offs and other defenses
14 against the assignor that would have been allowed in any action
15 brought by the assignor and existing before notice of such assignment,
16 except that, when the underlying mortgage is evidenced by an
17 instrument meeting the criteria for negotiability set forth in
18 N.J.S.12A:3-104,¹ and the instrument is issued and negotiated to the
19 holder and the holder takes the instrument pursuant to the provisions
20 of N.J.S.12A:3-302,¹ the holder of the instrument shall be a holder in
21 due course and shall be afforded all the rights and protections provided
22 a holder in due course¹ [pursuant to N.J.S.12A:3-302]¹ .

23 (cf: P.L.1987, c.357, s.4)

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25 2. This act shall take effect immediately.

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30 Provides holder in due course status to holders of negotiable
31 instruments secured by a mortgage.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SSM committee amendments adopted March 3, 1997.