

SENATE, No. 2961

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 24, 2020

Sponsored by:

Senator JOSEPH P. CRYAN

District 20 (Union)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Enhances homeowner notification of foreclosure mediation program requirements.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/24/2020)

1 AN ACT concerning notification of foreclosure mediation and
2 amending P.L.2019, c.64.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 3 of P.L.2019, c.64 (C.2A:50-76) is amended to read
8 as follows:

9 3. a. A homeowner-borrower shall receive written notice from
10 the residential mortgage lender of the option to participate in the
11 Foreclosure Mediation Program in accordance with the court rules,
12 procedures, and guidelines adopted by the Supreme Court at the
13 time the homeowner-borrower receives a notice of intention to
14 foreclose, pursuant to section 4 of P.L.1995, c.244 (C.2A:50-56).
15 Upon the filing of a mortgage foreclosure complaint against an
16 eligible property, the homeowner-borrower shall again receive
17 written notice of the option to participate in the Foreclosure
18 Mediation Program in accordance with the court rules, procedures,
19 and guidelines adopted by the Supreme Court.

20 b. The written notice required pursuant to this section shall be
21 available in both English and Spanish, and shall alert the
22 homeowner-borrower that:

23 (1) pursuant to subsection b. of section 4 of P.L.2019, c.64
24 (C.2A:50-77), obtaining the assistance of a trained foreclosure
25 prevention and default mitigation counselor is a prerequisite to
26 participation in mediation; and

27 (2) pursuant to subsection c. of section 4 of P.L.2019, c.64
28 (C.2A:50-77), the homeowner-borrower is not required to pay any
29 fees in order to participate in mediation.

30 (cf: P.L.2019, c.64, s.3)

31
32 2. This act shall take effect on the first day of the sixth month
33 next following enactment.

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STATEMENT

37

38 This bill enhances the notification requirements of residential
39 mortgage lenders in association with foreclosure actions.

40 Under the bill, whenever a residential mortgage lender provides a
41 homeowner with a notice of intention to foreclose, or when the
42 lender files a foreclosure complaint against a mediation-eligible
43 homeowner, the lender is required to provide the homeowner with
44 certain information in relation to the foreclosure mediation
45 program.

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.

1 Specifically, the information provided by the lender would alert
2 the homeowner that obtaining the assistance of a trained foreclosure
3 prevention and default mitigation counselor is a prerequisite to
4 participation in mediation. The notice would also alert the
5 homeowner that they will not be required to pay any fees in order to
6 participate in mediation.