

# VALUED CLIENT:

Governor Murphy signed the attached 2020 Assembly Bill 2964; P.L. 2021, c. 20 into law late yesterday and it is effective immediately. This law requires any owner/creditor that acquires title to "non-owner occupied residential property" via a sheriff's deed or deed in lieu of foreclosure to provide notice of its ownership within ten (10) business days to the municipal clerk, or any other designated municipal official wherein the property is located, and to any HOA or COA. This new law eliminates the existing exemption for creditors or the successors that have already supplied notice of the commencement of a foreclosure action to the municipality and creates a new, expanded and separate notice requirement. The law further requires the designation of an agent within the State of New Jersey if the owner is not located within the State, who is authorized to accept service of process on behalf of the property owner.

Therefore, the firm has created a process to identify post-sheriff sale or DIL properties which are "non-owner occupied residential properties" and will raise an issue or communication with its clients in each identified instance to ensure that either: (1) the client supplies the required notice(s) or (2) the firm is engaged to provide the required notice and become authorized to accept service of process on behalf of the new owner [or obtain the designated agent for the owner]. Due to the difficulty confirming whether the property is owner-occupied post-sale, unless the client can provide affirmative confirmation that the property is not owner-occupied via a property inspection, the firm recommends supplying notice on all cases. Since this new notice requirement is very similar to current notice and registration requirements in New Jersey, we hope that this can be easily incorporated into your existing practices and procedures.

Thank you.

David Neeren, Esquire **General Counsel** 

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## ASSEMBLY, No. 2964 STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by: Assemblywoman VERLINA REYNOLDS-JACKSON District 15 (Hunterdon and Mercer) Assemblyman ANTHONY S. VERRELLI District 15 (Hunterdon and Mercer)

#### **SYNOPSIS**

Requires all creditors that acquire title to non-owner occupied residential property following foreclosure to notify municipality and common interest community.

### CURRENT VERSION OF TEXT

As introduced.

**AN ACT** requiring all creditors that acquire title to certain residential property following foreclosure to notify the municipality and any common interest community, and amending P.L.2011, c.222.

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

1. Section 1 of P.L.2011, c.222 (C.46:10B-51.1) is amended to read as follows:

1. The owner of any non-owner occupied residential property who takes title to the property as the result of a sheriff's sale or deed in lieu of foreclosure [, other than an owner who has previously provided notice to the municipality pursuant to section 17 of P.L.2008, c.127 (C.46:10B-51),] shall provide notice, within 10 business days, to the municipal clerk, or

any other designated municipal official, of the municipality wherein the property is located, and to any association or common interest community, of which the residential property is a part, governed by the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.), the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), or "The Planned Real Estate Development Full Disclosure Act," P.L.1977, c.419 (C.45:22A-21 et seq.), providing the name and address of the owner. If the owner is not located within New Jersey, then the owner shall designate an agent within New Jersey, including the agent's address, who is authorized to accept service of process on behalf of the property owner. (cf: P.L.2011, c.222, s.1)

2. This act shall take effect immediately.

#### STATEMENT

This bill would require all creditors that acquire title to a non-owner occupied residential property as the result of a foreclosure sheriff's sale or a deed in lieu of foreclosure to provide notice of the acquisition to the municipality in which the property is located and, if applicable, the common interest community of which the property is a part. Under current law, some owners that acquire these properties have to provide such notice, but creditors that have already provided notice to the municipality of the institution of a foreclosure action with respect to the property are exempt from this post-judgment or deed in lieu of foreclosure requirement. This bill would eliminate that exemption to ensure that municipalities and common interest communities are made aware, in a timely manner, of all ownership changes following foreclosures. Requiring this information to be shared with relevant parties could be of use to prospective purchasers and tenants of foreclosed residential properties who seek to confirm ownership of such properties and help address the recent problem of individuals falsely claiming to own these properties and fraudulently leasing or selling them.