

DEAR VALUED CLIENT:

Governor Murphy enacted the attached legislation (A-1063) which materially impacts all New Jersey statutory pre-foreclosure demand letters (NOI's). Specifically, effective <u>September 1, 2021</u>, the Notice of Mediation attached to the NOI and to the served Complaint:

...shall be available in both English and Spanish, and shall alert the homeowner-borrower that:

- (1) obtaining the assistance of a trained foreclosure prevention and default mitigation counselor is a prerequisite to participation in mediation; and
- (2) the homeowner-borrower is not required to pay any fees in order to participate in mediation.

Thus, any NOI sent on or after September 1, 2021 must include the additional language above along with the revised notice or the NOI will be deemed defective and a foreclosure Complaint will not be approved for filing without a redemand. Furthermore, any fee or cost relating to participating in mediation are not recoverable. The Notice of Mediation is typically a form that is supplied by the State and we will notify you of any promulgated form to attach to an NOI well in advance of the September 1, 2021 effective date. Alternatively, if the State does not promulgate a new form, we will provide our clients with instructions and language, both in English and Spanish, well in advance of the effective date to ensure compliance.

David Neeren, Esquire

General Counsel – PA/NJ

Robertson, Anschutz, Schneid, Crane & Partners, PLLC

A Florida professional limited liability company Richard Citron, Esquire – Managing Partner of NJ/PA Offices

133 Gaither Drive, Suite F

Mt. Laurel, NJ 08054

Phone: 855-225-6906 Ext. 1304

Fax: 866-381-9549

Email: dneeren@raslg.com

ASSEMBLY, No. 1063 STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman MILA M. JASEY
District 27 (Essex and Morris)
Assemblywoman CAROL A. MURPHY
District 7 (Burlington)

Co-Sponsored by:

Assemblywoman Pinkin

SYNOPSIS

Enhances homeowner notification of foreclosure mediation program requirements.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

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

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

- 1. Section 3 of P.L.2019, c.64 (C.2A:50-76) is amended to read as follows:
- 3. <u>a.</u> A homeowner-borrower shall receive written notice from the residential mortgage lender of the option to participate in the Foreclosure Mediation Program in accordance with the court rules, procedures, and guidelines adopted by the Supreme Court at the time the homeowner-borrower receives a notice of intention to foreclose, pursuant to section 4 of P.L.1995, c.244 (C.2A:50-56). Upon the filing of a mortgage foreclosure complaint against an eligible property, the homeowner-borrower shall again receive written notice of the option to participate in the Foreclosure Mediation Program in accordance with the court rules, procedures, and guidelines adopted by the Supreme Court.
- <u>b.</u> The written notice required pursuant to this section shall be available in both English and Spanish, and shall alert the homeowner-borrower that:
- (1) pursuant to subsection b. of section 4 of P.L.2019, c.64 (C.2A:50-77), obtaining the assistance of a trained foreclosure prevention and default mitigation counselor is a prerequisite to participation in mediation; and
- (2) pursuant to subsection c. of section 4 of P.L.2019, c.64 (C.2A:50-77), the homeowner-borrower is not required to pay any fees in order to participate in mediation. (cf: P.L.2019, c.64, s.3)
 - 2. This act shall take effect on the first day of the sixth month next following enactment.

STATEMENT

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

Under the bill, whenever a residential mortgage lender provides a homeowner with a notice of intention to foreclose, or when the lender files a foreclosure complaint against a mediationeligible homeowner, the lender is required to provide the homeowner with certain information in relation to the foreclosure mediation program.

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