

CHAPTER 373

AN ACT establishing the “New Jersey Foreclosure Counseling Fund” and amending and supplementing P.L.2019, c.64.

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

C.2A:50-81 Findings and declarations.

1. The Legislature finds and declares that:
 - a. The Foreclosure Mediation Assistance Program administered by the New Jersey Housing and Mortgage Finance Agency provides trained foreclosure prevention and default mitigation counselors for homeowner-borrowers participating in the Foreclosure Mediation Program established by the New Jersey Judiciary.
 - b. As provided by section 7 of the “New Jersey Foreclosure Mediation Act,” P.L.2019, c.64 (C.2A:50-80), trained foreclosure prevention and default mitigation counselors are paid using a portion of funds paid by a foreclosure plaintiff in an action for foreclosure.
 - c. During the public health emergency declared by the Governor in Executive Order No. 103 of 2020 due to the coronavirus disease 2019 (COVID-19) pandemic, the New Jersey Housing and Mortgage Finance Agency expanded its Foreclosure Mediation Assistance Program to provide other supports to New Jersey residents including renter and pre-foreclosure counseling.
 - d. Since the expansion began, nearly 5,000 households have been served.
 - e. Sufficient funding exists for trained foreclosure prevention and default mitigation counselors to continue to provide pre-foreclosure counseling services although the public health emergency declared by the Governor in Executive Order No. 103 of 2020 has concluded.

C.2A:50-82 “New Jersey Foreclosure Counseling Fund” established.

2.
 - a. There is established in the General Fund a separate, non-lapsing, dedicated account administered by the Department of Community Affairs to be known as the “New Jersey Foreclosure Counseling Fund.”
 - b. The funds within the New Jersey Foreclosure Counseling Fund shall be paid to the New Jersey Housing and Mortgage Finance Agency no later than the 15th day of each quarter to reimburse trained foreclosure prevention and default mitigation counselors for pre-foreclosure counseling services in accordance with guidance established by the New Jersey Housing and Mortgage Finance Agency and for the agency’s services required under P.L.2019, c.64 (C.2A:50-74 et seq.).
 - c. The New Jersey Housing and Mortgage Finance Agency may assess up to five percent of New Jersey Foreclosure Counseling Fund’s annual allocation amounts for administrative costs.
 - d. For purposes of this section, “trained foreclosure prevention and default mitigation counselors” shall have the same definition as in section 2 of the “New Jersey Foreclosure Mediation Act,” P.L.2019, c.64 (C.2A:50-75).

3. Section 7 of P.L.2019, c.64 (C.2A:50-80) is amended to read as follows:

C.2A:50-80 “Foreclosure Mediation Fund.”

7. There is created in the General Fund a dedicated, non-lapsing fund to be known as the “Foreclosure Mediation Fund,” to be held separate and apart from all other funds of the State. The Foreclosure Mediation Fund shall be administered by the Administrative Office of the Courts. In each action for foreclosure, the plaintiff shall pay \$155 to the clerk of the court in

addition to the fee associated with the filing of the first paper. Of that \$155 payment, \$60 and all monies collected from each civil penalty imposed for violations of subsection b. of section 5 of P.L.2019, c.64 (C.2A:50-78), shall be deposited in the Foreclosure Mediation Fund. The monies shall be appropriated annually by the Legislature to the Administrative Office of the Courts for the purposes of the operation of the Foreclosure Mediation Program, including the compensation of mediators, and to enhance the integrity of the mortgage foreclosure review process. All interest or other income earned on monies deposited into the Foreclosure Mediation Fund, and any monies that may be appropriated or otherwise become available for the purpose of the Foreclosure Mediation Fund, shall be credited and deposited into the Foreclosure Mediation Fund. The remaining \$95 collected from each filing fee shall be deposited into the New Jersey Foreclosure Counseling Fund on the first day of each calendar quarter.

4. This act shall take effect immediately.

Approved January 12, 2022.