

SENATE, No. 1956

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED JUNE 9, 2008

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Senator JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Allows persons affected by certain plant closings, transfers and mass layoffs to receive temporary suspension of payment of interest on mortgage loan.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/17/2008)

1 AN ACT concerning the mortgage interest liability of persons
2 affected by certain plant closings, transfers and mass layoffs and
3 supplementing P.L.2007, c.212 (C.34:21-1 et seq.)
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. Notwithstanding the provisions of any other law to the
9 contrary, a person who is domiciled in this State and who is an
10 aggrieved employee, or former employee, of an employer who has
11 violated the provisions of P.L.2007, c.212 (C.34:21-1 et seq.), may
12 secure, if a request is made within 180 days of a court order of such
13 a violation pursuant to section 6 of P.L.2007, c.212 (C.34:21-6), a
14 suspension of the payment of interest on a mortgage loan that was
15 secured by the person, or the person and another person jointly,
16 before the date of the court order.

17 b. A person may make a request pursuant to subsection a. of this
18 section by mailing a written request to the mortgagee which shall
19 include: (1) a copy of the court order pursuant to section 6 of
20 P.L.2007, c.212 (C. 34:21-6) finding a violation of P.L.2007, c.212
21 (C.34:21-1 et seq.); and (2) an affidavit stating that the person is an
22 aggrieved employee or former employee of the employer named in
23 the order and further that the person is a mortgagor of the mortgage
24 loan with respect to which the request is being made. Upon receipt
25 of the request with the required information, the mortgagee shall
26 grant a suspension of the payment of interest, effective as of the
27 date of the court order. The suspension shall remain in effect for
28 180 days from the date of the order and interest that was incurred
29 during that time shall be paid, after the expiration of the suspension,
30 in equal installments over the remaining term of the mortgage loan.

31 c. Nothing contained in this section shall affect the payment of
32 loan principal, escrow, or other fees, as required by the mortgage
33 loan agreement.

34 d. As used in this section:

35 "Mortgagee" means the holder of a mortgage loan.

36 "Mortgage loan" means a loan made to a natural person or
37 persons to whom credit is offered or extended primarily for
38 personal, family or household purposes which is secured by a
39 mortgage constituting a lien upon real property located in this State
40 on which there is erected or to be erected a structure, which is the
41 primary residence of the natural person or persons, containing one
42 to six dwelling units, a portion of which structure may be used for
43 nonresidential purposes, in the making of which the mortgagee
44 relies primarily upon the value of the mortgaged property.
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46 2. This act shall take effect immediately.

STATEMENT

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3 This bill will allow an aggrieved employee or former employee
4 of an employer who has been found to be in violation of the
5 “Millville Dallas Airmotive Plant Job Loss Notification
6 Act,” P.L.2007, c.212 (C.34:21-1 et seq.), also more commonly
7 referred to as the “plant closing law,” or the “NJ WARN Act,” to
8 request a suspension of the payment of interest on a mortgage loan
9 that was secured by the person before entry of the court order
10 finding a violation of that act. The suspension would remain in
11 effect for 180 days from the date of the order and interest that was
12 incurred during that time shall be paid, after the expiration of the
13 suspension, in equal installments over the remaining term of the
14 mortgage loan.

15 The bill would only apply to a person who is domiciled in this
16 State and to a mortgage securing a primary residence located in this
17 State.

18 To obtain the suspension, a person would submit to the
19 mortgagee a written request which shall include: (1) a copy of the
20 court order finding a violation of P.L.2007, c.212 (C.34:21-1 et
21 seq.); and (2) an affidavit stating that the person is an aggrieved
22 employee or former employee of the employer named in the order
23 and further that the person is a mortgagor of the mortgage loan with
24 respect to which the request is being made.