

[First Reprint]

**ASSEMBLY, No. 347**

**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

**Sponsored by:**

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**District 28 (Essex)**

**Assemblyman VINCENT PRIETO**

**District 32 (Bergen and Hudson)**

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**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblywoman Handlin, Assemblymen Garcia, Rumpf, Coughlin,  
Assemblywomen Caride, Jasey, Mosquera, Assemblymen Wilson,  
Conaway, Johnson, Assemblywoman Pinkin, Senators Rice, Stack, Ruiz  
and Connors**

**SYNOPSIS**

Authorizes municipalities to impose penalties on creditors that fail to timely remedy code violations of certain properties in foreclosure.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Housing and Community Development Committee on February 6, 2014, with amendments.

**(Sponsorship Updated As Of: 3/28/2014)**

1 AN ACT concerning maintenance of <sup>1</sup>vacant<sup>1</sup> residential properties  
2 during foreclosure and <sup>1</sup>**【supplementing Title 40 of the Revised**  
3 **Statutes】** amending P.L.2008, c.127<sup>1</sup>.  
4

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

8 <sup>1</sup>**【**1. a. A creditor that serves a notice of intention to foreclose on  
9 a mortgage on residential property in this State pursuant to the “Fair  
10 Foreclosure Act,” P.L.1995, c.244 (C.2A:50-53 et seq.), shall serve  
11 the public officer of the municipality in which the property is  
12 located, or, if the municipality has not designated a public officer  
13 pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal  
14 clerk, with a copy of the notice at the same time that the creditor  
15 serves the notice on the owner of the property. The creditor shall  
16 include the full name and contact information of a person located  
17 within the State who is authorized to accept service on behalf of the  
18 creditor with the copy of the notice served on the public officer or  
19 municipal clerk.

20 b. If the residential property becomes vacant at any time after  
21 the creditor files the notice of intention to foreclose, but prior to  
22 vesting of title in any third party, and the municipality determines  
23 that the property is in violation of any applicable State or local  
24 housing code, the municipality may notify the creditor of the  
25 violation, by providing a copy of the notice to the person located  
26 within the State who is authorized to accept service on behalf of the  
27 creditor, and may require the creditor to correct the violation.

28 c. A municipality that requires a creditor to correct a violation  
29 pursuant to this act shall include a description of the conditions that  
30 gave rise to the violation with the notice of violation and shall  
31 provide a period of not less than 30 days from the creditor’s receipt  
32 of the notice for the creditor to remedy the violation. If the creditor  
33 fails to remedy the violation within that time period, the  
34 municipality may impose penalties allowed for the violation of  
35 municipal ordinances pursuant to R.S.40:49-5.

36 d. For the purposes of this section, “creditor” means a federal  
37 or State chartered bank, savings bank, savings and loan association  
38 or credit union, any person required to be licensed under the  
39 provisions of the “New Jersey Licensed Lenders Act,” P.L.1996,  
40 c.157 (C.17:11C-1 et seq.), and any entity acting on behalf of the  
41 creditor named in the debt obligation including, but not limited to,  
42 servicers.】<sup>1</sup>

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AHO committee amendments adopted February 6, 2014.

1       <sup>1</sup>1. Section 17 of P.L.2008, c.127 (C.46:10B-51) is amended to  
2 read as follows:

3       17. a. (1) A creditor serving a summons and complaint in an  
4 action to foreclose on a mortgage on residential property in this  
5 State shall, within 10 days of serving the summons and complaint,  
6 notify the municipal clerk of the municipality in which the property  
7 is located that a summons and complaint in an action to foreclose  
8 on a mortgage has been filed against the subject property. The  
9 notice shall contain the name and contact information for the  
10 representative of the creditor who is responsible for receiving  
11 complaints of property maintenance and code violations, may  
12 contain information about more than one property, and shall be  
13 provided by mail or electronic communication, at the discretion of  
14 the municipal clerk. If the municipality has appointed a public  
15 officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the  
16 municipal clerk shall forward a copy of the notice to the public  
17 officer or shall otherwise provide it to any other local official  
18 responsible for administration of any property maintenance or  
19 public nuisance code.

20       In the event that the property being foreclosed on is an  
21 affordable unit pursuant to the "Fair Housing Act," P.L.1985, c.222  
22 (C.52:27D-301 et al.), then the creditor shall identify that the  
23 property is subject to the "Fair Housing Act."

24       The notice shall also include the street address, lot and block  
25 number of the property, and the full name and contact information  
26 of an individual located within the State who is authorized to accept  
27 service on behalf of the creditor. The notice shall be provided to  
28 the municipal clerk within 10 days of service of a summons and  
29 complaint in an action to foreclose on a mortgage against the  
30 subject property.

31       (2) Within 30 days following the effective date of P.L.2009,  
32 c.296 (C.2A:50-69 et al.), any creditor that has initiated a  
33 foreclosure proceeding on any residential property which is pending  
34 in Superior Court shall provide to the municipal clerk of the  
35 municipality in which the property is located, a listing of all  
36 residential properties in the municipality for which the creditor has  
37 foreclosure actions pending by street address and lot and block  
38 number. If the municipality has appointed a public officer pursuant  
39 to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal clerk shall  
40 forward a copy of the notice to the public officer, or shall otherwise  
41 provide it to any other local official responsible for administration  
42 of any property maintenance or public nuisance code.

43       b. If the owner of a residential property vacates or abandons  
44 any property on which a foreclosure proceeding has been initiated  
45 or if a residential property becomes vacant at any point subsequent  
46 to the creditor's filing the summons and complaint in an action to  
47 foreclose on a mortgage against the subject property, but prior to

1 vesting of title in the creditor or any other third party, and the  
2 property is found to be a nuisance or in violation of any applicable  
3 State or local code, the local public officer, municipal clerk, or  
4 other authorized municipal official shall notify the creditor, which  
5 shall have the responsibility to abate the nuisance or correct the  
6 violation in the same manner and to the same extent as the title  
7 owner of the property, to such standard or specification as may be  
8 required by State law or municipal ordinance. The municipality  
9 shall include a description of the conditions that gave rise to the  
10 violation with the notice of violation and shall provide a period of  
11 not less than 30 days from the creditor's receipt of the notice for the  
12 creditor to remedy the violation. If the creditor fails to remedy the  
13 violation within that time period, the municipality may impose  
14 penalties allowed for the violation of municipal ordinances pursuant  
15 to R.S.40:49-5.

16 c. If the municipality expends public funds in order to abate a  
17 nuisance or correct a violation on a residential property in situations  
18 in which the creditor was given notice pursuant to the provisions of  
19 subsection b. of this section but failed to abate the nuisance or  
20 correct the violation as directed, the municipality shall have the  
21 same recourse against the creditor as it would have against the title  
22 owner of the property, including but not limited to the recourse  
23 provided under section 23 of P.L.2003, c.210 (C.55:19-100).<sup>1</sup>  
24 (cf: P.L.2009, c.296, s.5)

25

26 2. This act shall take effect 60 days following enactment.