

SENATE, No. 4277

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 13, 2021

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Establishes “New Jersey Foreclosure Counseling Fund.”

CURRENT VERSION OF TEXT

As introduced.



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

3

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

6

7 1. (New section) The Legislature finds and declares that:

8 a. The Foreclosure Mediation Assistance Program administered
9 by the New Jersey Housing and Mortgage Finance Agency provides
10 trained foreclosure prevention and default mitigation counselors for
11 homeowner-borrowers participating in the Foreclosure Mediation
12 Program established by the New Jersey Judiciary.

13 b. As provided by section 7 of the “New Jersey Foreclosure
14 Mediation Act,” P.L.2019, c.64 (C.2A:50-80), trained foreclosure
15 prevention and default mitigation counselors are paid using a
16 portion of funds paid by a foreclosure plaintiff in an action for
17 foreclosure.

18 c. During the public health emergency declared by the
19 Governor in Executive Order No. 103 of 2020 due to the
20 coronavirus disease 2019 (COVID-19) pandemic, the New Jersey
21 Housing and Mortgage Finance Agency expanded its Foreclosure
22 Mediation Assistance Program to provide other supports to New
23 Jersey residents including renter and pre-foreclosure counseling.

24 c. Since the expansion began, nearly 5,000 households have
25 been served.

26 d. Sufficient funding exists for trained foreclosure prevention
27 and default mitigation counselors to continue to provide pre-
28 foreclosure counseling services although the public health
29 emergency declared by the Governor in Executive Order No. 103 of
30 2020 has concluded.

31

32 2. (New section) a. There is established in the General Fund a
33 separate, nonlapsing, dedicated account administered by the
34 Department of Community Affairs to be known as the “New Jersey
35 Foreclosure Counseling Fund.”

36 b. The funds within the New Jersey Foreclosure Counseling
37 Fund shall be paid to the New Jersey Housing and Mortgage
38 Finance Agency no later than the 15th day of each quarter to
39 reimburse trained foreclosure prevention and default mitigation
40 counselors for pre-foreclosure counseling services in accordance
41 with guidance established by the New Jersey Housing and Mortgage
42 Finance Agency and for the agency’s services required under
43 P.L.2019, c.64 (C.2A:50-74 et seq.).

44 c. The New Jersey Housing and Mortgage Finance Agency
45 may assess up to five percent of New Jersey Foreclosure

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.

1 Counseling Fund's annual allocation amounts for administrative
2 costs.

3 d. For purposes of this section, "trained foreclosure prevention
4 and default mitigation counselors" shall have the same definition as
5 in section 2 of the "New Jersey Foreclosure Mediation Act,"
6 P.L.2019, c.64 (C.2A:50-75).

7

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

10 7. There is created in the General Fund a dedicated, non-
11 lapsing fund to be known as the "Foreclosure Mediation Fund," to
12 be held separate and apart from all other funds of the State. The
13 **【fund】 Foreclosure Mediation Fund** shall be administered by the
14 Administrative Office of the Courts. In each action for foreclosure,
15 the plaintiff shall pay \$155 to the clerk of the court in addition to
16 the fee associated with the filing of the first paper. Of that \$155
17 payment, \$60 and all monies collected from each civil penalty
18 imposed for violations of subsection b. of section 5 of P.L.2019,
19 c.64 (C.2A:50-78), shall be deposited in the **【fund】 Foreclosure**
20 **Mediation Fund**. The monies shall be appropriated annually by the
21 Legislature to the Administrative Office of the Courts for the
22 purposes of the operation of the Foreclosure Mediation Program,
23 including the compensation of mediators, and to enhance the
24 integrity of the mortgage foreclosure review process. All interest or
25 other income earned on monies deposited into the **【fund】**
26 **Foreclosure Mediation Fund**, and any monies that may be
27 appropriated or otherwise become available for the purpose of the
28 **【fund】 Foreclosure Mediation Fund**, shall be credited and deposited
29 into the **【fund】 Foreclosure Mediation Fund**. The remaining \$95
30 collected from each filing fee shall be **【used to reimburse trained**
31 **foreclosure prevention and default mitigation counselors for their**
32 **services, pursuant to P.L.2019, c.64 (C.2A:50-74 et al.)】 deposited**
33 **into the New Jersey Foreclosure Counseling Fund on the first day of**
34 **each calendar quarter.**

35 (cf: P.L.2019, c.64, s.7)

36

37 4. This act shall take effect immediately.

38

39

40 STATEMENT

41

42 This bill establishes the "New Jersey Foreclosure Counseling
43 Fund."

44 Specifically, the bill establishes in the General Fund a separate,
45 nonlapsing, dedicated account administered by the Department of
46 Community Affairs to be known as the "New Jersey Foreclosure
47 Counseling Fund."

1 The bill provides that the funds within the New Jersey
2 Foreclosure Counseling Fund are to be paid to the New Jersey
3 Housing and Mortgage Finance Agency no later than the 15th day
4 of each quarter to reimburse trained foreclosure prevention and
5 default mitigation counselors for pre-foreclosure counseling
6 services.

7 The bill permits the New Jersey Housing and Mortgage Finance
8 Agency to assess up to five percent of New Jersey Foreclosure
9 Counseling Fund's annual allocation amounts for administrative
10 costs.

11 The bill also provides that a portion of the fees that are paid by
12 plaintiffs in foreclosure actions are to be deposited into the New
13 Jersey Foreclosure Counseling Fund on the first day of each
14 calendar quarter.