

RULS - AD - 1983 - 200

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Letter from Judge Serpentelli to Hall
acknowledging letter

Pgs - 1

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Superior Court of New Jersey

CHAMBERS OF
JUDGE EUGENE D. SERPENTELLI

OCEAN COUNTY COURT HOUSE
C. N. 2191
TOMS RIVER, N. J. 08753

December 23, 1983

Dabbe - Summit

Thomas J. Hall, Esquire
Brener, Wallack and Hill
2-4 Chambers Street
Princeton, N. J. 08540

Dear Mr. Hall:

This will acknowledge your letter of December 20, 1983.

I am most disappointed that the New Jersey Finance Agency has taken the position that it is necessary to extinguish the recapture and resale provisions in the event of a foreclosure. Clearly, the mortgage has priority as a first lien. Assuming that the mortgage is satisfied as a result of foreclosure, I do not understand why the goals of Mount Laurel should be disregarded on resale. Why is it not feasible to have the mortgagee follow the same resale procedure as any other seller? There is ample protection for the resale procedure against the possibility that the low and moderate income buyer cannot be found - which is very unlikely.

There are other objections raised which I will not touch upon at this time but which seem to me also to be counter to Mount Laurel compliance. These modifications may require the Court to evaluate their impact on the resolution of this case. My order was entered based upon certain assumptions and it would appear that some of these are now being altered. For example, the insistence on the requirement that there be a down payment further erodes the capacity of lower income people to purchase these units. Given the sale of these units far below market price, it would appear that the mortgagee, the mortgage guarantee corporation and others are amply protected.

If an additional meeting which would include representatives of the agencies involved would be helpful, kindly advise me accordingly.

Very truly yours,

Eugene D. Serpentelli
Eugene D. Serpentelli, J.S.C.

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