

CHAPTER 66
(CORRECTED COPY)

AN ACT concerning residential mortgage foreclosures and amending P.L.2014, c.35 and P.L.2008, c.127.

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

1. Section 1 of P.L.2014, c.35 (C.40:48-2.12s) is amended to read as follows:

C.40:48-2.12s Ordinances to regulate care, maintenance, security and upkeep of certain residential communities.

1. a. The governing body of any municipality may adopt ordinances to regulate the care, maintenance, security, and upkeep of the exterior of vacant and abandoned residential properties on which a summons and complaint in an action to foreclose has been filed.

b. (1) An ordinance adopted pursuant to subsection a. of this section shall provide that the creditor filing the summons and complaint in an action to foreclose shall be responsible for the care, maintenance, security, and upkeep of the exterior of the vacant and abandoned residential property, and if located out-of-State, shall be responsible for appointing an in-State representative or agent to act for the foreclosing creditor.

(2) An ordinance adopted pursuant to subsection a. of this section shall authorize a public officer, appointed pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), or any other local official responsible for administration of any property maintenance or public nuisance code to issue a notice to the creditor filing the summons and complaint in an action to foreclose, if the public officer or other authorized municipal official determines that the creditor has violated the ordinance by failing to provide for the care, maintenance, security, and upkeep of the exterior of the property. Such notice shall require the person or entity to correct the violation within 30 days of receipt of the notice, or within 10 days of receipt of the notice if the violation presents an imminent threat to public health and safety. The issuance of a notice pursuant to this paragraph shall constitute proof that a property is "vacant and abandoned" for the purposes of section 1 of P.L.2012, c.70 (C.2A:50-73).

(3) An ordinance adopted pursuant to subsection a. of this section shall provide that an out-of-State creditor shall include the full name and contact information of the in-State representative or agent, and any other person or entity retained by the creditor or a representative of the creditor, in the notice required to be provided pursuant to paragraph (1) of subsection a. of section 17 of P.L.2008, c.127 (C.46:10B-51).

c. (1) An out-of-State creditor subject to an ordinance adopted pursuant to subsection a. of this section found by the municipal court of the municipality in which the property subject to the ordinance is located, or by any other court of competent jurisdiction, to be in violation of the requirement to appoint an in-State representative or agent pursuant to the ordinance shall be subject to a fine of \$2,500 for each day of the violation. Any fines imposed on a creditor for the failure to appoint an in-State representative or agent shall commence on the day after the 10-day period set forth in paragraph (1) of subsection a. of section 17 of P.L.2008, c.127 (C.46:10B-51) for providing notice to the municipal clerk that a summons and complaint in an action to foreclose on a mortgage has been served.

(2) A creditor subject to an ordinance adopted pursuant to subsection a. of this section found by the municipal court of the municipality in which the property subject to the ordinance is located, or by any other court of competent jurisdiction, to be in violation of the requirement to correct a care, maintenance, security, or upkeep violation cited in a notice issued pursuant to the ordinance shall be subject to a fine of \$1,500 for each day of the violation. Any fines imposed

pursuant to this paragraph shall commence 31 days following receipt of the notice, except if the violation presents an imminent risk to public health and safety, in which case any fines shall commence 11 days following receipt of the notice.

d. No less than 20 percent of any money collected pursuant to subsection a. of this section shall be utilized by the municipality for municipal code enforcement purposes.

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

C.46:10B-51 Procedure for serving summons and complaint in action to foreclose on a mortgage.

17. a. (1) A creditor serving a summons and complaint in an action to foreclose on a mortgage on residential property in this State shall, within 10 days of serving the summons and complaint, notify the municipal clerk and the mayor or other chief executive officer of the municipality in which the property is located that a summons and complaint in an action to foreclose on a mortgage has been filed against the subject property. The notice shall contain the full name, address, and telephone number for the representative of the creditor who is responsible for receiving complaints of property maintenance and code violations and the full name and contact information for any person or entity retained by the creditor or a representative of the creditor to be responsible for any care, maintenance, security or upkeep of the property. The notice may contain information about more than one property, and shall be provided by mail or electronic communication, at the discretion of the municipal clerk. In the event the creditor that has served a summons and complaint in an action to foreclose on a residential property is located out-of-State, the notice shall also contain the full name, address, and telephone number of an in-State representative or agent who shall be responsible for the care, maintenance, security, and upkeep of the exterior of the property if it becomes vacant and abandoned. If the municipality has appointed a public officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal clerk shall forward a copy of the notice to the public officer or shall otherwise provide it to any other local official responsible for administration of any property maintenance or public nuisance code.

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

The notice shall also include the street address, lot and block number of the property, and the full name, address, and telephone number of an individual located within the State who is authorized to accept service on behalf of the creditor. The notice shall be provided to the municipal clerk and the mayor or other chief executive officer within 10 days of service of a summons and complaint in an action to foreclose on a mortgage against the subject property.

If there is any change in the name, address, or telephone number for a representative, agent, or individual authorized to accept service on behalf of a creditor required to be provided in a notice pursuant to this paragraph following the filing of the summons and complaint, the creditor shall provide a notice to the applicable municipal clerk containing the updated name, address, or telephone number within 10 days of the change in that information.

(2) Within 30 days following the effective date of P.L.2009, c.296 (C.2A:50-69 et al.), any creditor that has initiated a foreclosure proceeding on any residential property which is pending in Superior Court shall provide to the municipal clerk of the municipality in which the property is located, a listing of all residential properties in the municipality for which the creditor has foreclosure actions pending by street address and lot and block number. If the municipality has appointed a public officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal clerk

shall forward a copy of the notice to the public officer, or shall otherwise provide it to any other local official responsible for administration of any property maintenance or public nuisance code.

b. If the owner of a residential property vacates or abandons any property on which a foreclosure proceeding has been initiated or if a residential property becomes vacant at any point subsequent to the creditor's filing the summons and complaint in an action to foreclose on a mortgage against the subject property, but prior to vesting of title in the creditor or any other third party, and the exterior of the property is found to be a nuisance or in violation of any applicable State or local code, the local public officer, municipal clerk, or other authorized municipal official shall notify the creditor or the representative or agent of an out-of-State creditor, as applicable, which shall have the responsibility to abate the nuisance or correct the violation in the same manner and to the same extent as the title owner of the property, to such standard or specification as may be required by State law or municipal ordinance. The municipality shall include a description of the conditions that gave rise to the violation with the notice of violation and shall provide a period of not less than 30 days from the creditor's receipt of the notice for the creditor to remedy the violation. If the creditor fails to remedy the violation within that time period, the municipality may impose penalties allowed for the violation of municipal ordinances pursuant to R.S.40:49-5.

c. If the municipality expends public funds in order to abate a nuisance or correct a violation on a residential property in situations in which the creditor was given notice pursuant to the provisions of subsection b. of this section but failed to abate the nuisance or correct the violation as directed, the municipality shall have the same recourse against the creditor as it would have against the title owner of the property, including but not limited to the recourse provided under section 23 of P.L.2003, c.210 (C.55:19-100).

d. A creditor that institutes a foreclosure proceeding on residential property pursuant to the "Fair Foreclosure Act," P.L.1995, c.244 (C.2A:50-53 et seq.), shall file with the summons and complaint in Superior Court, and with the lis pendens filed with the office of the county clerk or register of deeds and mortgages, the following information:

(1) the full name, address, and telephone number for the representative of the creditor and any servicer who is responsible for receiving complaints of property maintenance and code violations pursuant to subsection b. of this section;

(2) if the creditor or servicer is located out-of-State, the full name, address, and telephone number of an in-State representative or agent who shall be responsible for the care, maintenance, security, and upkeep of the property if it becomes vacant and abandoned ; and

(3) if there is any change in the information required to be filed pursuant to paragraph (1) or (2) of this subsection following the filing of the summons and complaint or the lis pendens, the updated name, address, or telephone number, to be filed with the Superior Court, the office of the county clerk or register of deeds and mortgages, and all other parties, within 10 days of the change in that information.

3. This act shall take effect on the 90th day next following enactment and shall apply to residential mortgage foreclosure actions commenced on or after that date.

Approved April 29, 2019.