

CHAPTER 131

AN ACT concerning Superstorm Sandy recovery and amending and supplementing P.L.2017, c.15.

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

1. The Legislature finds and declares that:
 - a. Many families have experienced an economic crisis as a result of Superstorm Sandy that has continued for far longer than could have been expected when the storm hit;
 - b. Although the storm made landfall over six years ago, more than 1,000 families who qualified to receive federal recovery funding still have not been able to complete the rehabilitation of their homes, or move back in;
 - c. Many of the families who have not been able to return to their homes have continued to be responsible for the expenses associated with homeownership, while also paying to live elsewhere;
 - d. In 2017, the Legislature enacted P.L.2017, c.15 (C.52:15D-13 et al.), which offered certain homeowners impacted by Superstorm Sandy temporary protections against foreclosure, and required mortgage creditors to provide certain impacted persons a temporary pause in mortgage payment obligations; and
 - e. Because so many families are still unable to return to their homes, it is imperative for the Legislature to extend these protections until, with limited exception, the earlier of July 1, 2022 or one year following the issuance of a certificate of occupancy, allowing a return to their home.

2. Section 5 of P.L.2017, c.15 (C.52:15D-13) is amended to read as follows:

C.52:15D-13 Eligibility for forbearance.

5. a. A Sandy-impacted homeowner shall be eligible for a forbearance regardless of whether the homeowner's primary residence is already the subject of a foreclosure proceeding. The Sandy-impacted homeowner shall apply to the commissioner, on forms to be provided by the department, for a certification of eligibility for the forbearance under this subsection before the first day of the third month next following the date when the commissioner makes the application available pursuant to subparagraph (b) of paragraph (1) of subsection e. of this section. The commissioner shall approve or deny an application within 30 days of its delivery to the commissioner. If the application is not approved or denied within 30 days of its delivery, the application shall be deemed approved.

b. The forbearance period shall conclude upon the earlier of:

- (1) the conclusion of one year following issuance of a certificate of occupancy for recovery and rebuilding program work;
- (2) July 1, 2022; or
- (3) regarding a property in foreclosure proceedings, upon the expiration of 10 days following sheriff's sale.

c. Notwithstanding the provisions of any law, rule, or regulation to the contrary, the repayment period of any mortgage subject to the forbearance established in subsection a. of this section shall be extended by the number of months the forbearance is in effect. During the time of the forbearance and during the period constituting an extension of the mortgage, all terms and conditions of the original mortgage, except with regard to default and delinquency during forbearance, shall continue without modification, and there shall be no fees assessed for the forbearance, or penalty for early repayment.

d. A Sandy-impacted homeowner who was the subject of a foreclosure proceeding as of August 10, 2015, the effective date of P.L.2015, c.102 (C.52:15D-3 et seq.) shall, upon good cause shown, be awarded, by the court and upon application by the property owner, a stay in the foreclosure proceedings. An application to the court by a property owner under this subsection shall be made before the first day of the fifth month next following the effective date of P.L.2017, c.15, unless the courts in their discretion permit application submission for a longer period. The receipt of rental assistance from the Federal Emergency Management Agency as a result of damage to the homeowner's primary residence due to Superstorm Sandy, or approval for assistance through the RREM or LMI program, shall constitute good cause for the award of a stay under this subsection for a period concluding upon the earlier of:

(1) the conclusion of one year following issuance of a certificate of occupancy for recovery and rebuilding program work; or

(2) July 1, 2022.

e. (1) Prior to the first day of the second month next following the effective date of P.L.2017, c.15, the commissioner shall:

(a) notify as many Sandy-impacted homeowners as is reasonably possible of eligibility for a forbearance or stay of foreclosure proceedings;

(b) post information on eligibility and the application process for the forbearance and stay of foreclosure proceedings, and make forbearance applications available, on the department's Internet website;

(c) notify the courts of what individuals and associated properties are eligible for a forbearance or stay of foreclosure proceedings; and

(d) to the greatest extent reasonably possible, notify the State's active mortgage lenders of what individuals and associated properties are eligible for a forbearance or stay of foreclosure proceedings.

(2) Upon knowledge of a homeowner's eligibility for a forbearance or stay of foreclosure proceedings, the mortgage lender shall notify the homeowner and the courts.

(3) Upon approval of a forbearance application pursuant to subsection a. of this section, the commissioner shall notify the applicant, the mortgage lender, and the courts.

f. Sandy-impacted homeowners awarded a stay of foreclosure proceedings or forbearance, or both, under this section shall be responsible for the maintenance of the property during the stay or period of forbearance, or both. After service of notice of any proceedings conducted to terminate forbearance, made on the mortgagor at an address determined pursuant to due diligence of the movant mortgagee or creditor to be the actual current residence of the mortgagor, providing opportunity for the mortgagor to respond and contest the proceedings, a stay of foreclosure proceedings or forbearance, or both, awarded under this section shall cease immediately upon a court's determination that the subject residential property has been abandoned by the Sandy-impacted homeowner.

g. Nothing in this section shall be construed as limiting the ability of a mortgagee and residential property owner to participate in a mediation sponsored by the Administrative Office of the Courts in accordance with the requirements of the mediation program. Nothing in this section shall be construed to impact property tax and insurance obligations of a property owner related to any real property in the State.

3. This act shall take effect immediately.

Approved June 21, 2019.