

[Second Reprint]

ASSEMBLY, No. 793

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Assemblywoman CLEOPATRA G. TUCKER

District 28 (Essex)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Senator NIA H. GILL

District 34 (Essex and Passaic)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

**Assemblymen Caputo, Giblin, Assemblywomen Sumter, McKnight,
Assemblyman Wimberly, Assemblywomen Carter, Chaparro,
Assemblyman Auth, Assemblywomen DeFuccio, Lopez and Jasey**

SYNOPSIS

Creates “Community Wealth Preservation Program”; expands access for certain buyers to purchase property from sheriff’s sales.

CURRENT VERSION OF TEXT

As reported by the Assembly Commerce and Economic Development Committee on March 14, 2022, with amendments.



(Sponsorship Updated As Of: 6/29/2022)

1 AN ACT concerning the procedures for sheriff's sales, designated as
2 the "Community Wealth Preservation Program," and amending
3 and supplementing P.L.1995, c.244, and amending N.J.S.22A:4-
4 8.

5

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

8

9 ²[1. Section 12 of P.L.1995, c.244 (C.2A:50-64) is amended to
10 read as follows:

11 12. a. With respect to the sale of a mortgaged premises under
12 foreclosure action, each sheriff in this State shall provide for, but
13 not be limited to, the following uniform procedures:

14 (1) Bidding in the name of the assignee of the foreclosing
15 plaintiff.

16 (2) That adjournment of the sale of the foreclosed property shall
17 be in accordance with N.J.S.2A:17-36.

18 (3) (a) The sheriff shall **[schedule]** conduct a sale **[date]**
19 within **[120]** 150 days of the sheriff's receipt of any writ of
20 execution issued by the court in any foreclosure proceeding.

21 (b) If it becomes apparent that the sheriff cannot comply with
22 the provisions of subparagraph (a) of this paragraph (3), the
23 foreclosing plaintiff may apply to the office for an order appointing
24 a Special Master to hold the foreclosure sale.

25 (c) Upon the foreclosing plaintiff making such application to the
26 office, the office shall issue the appropriate order appointing a
27 Special Master to hold the foreclosure sale. The office may issue
28 the order to appoint a Special Master to hold foreclosure sales for
29 one or more properties within a vicinage.

30 (4) **[That]** Except as otherwise provided in this paragraph with
31 respect to the purchase of residential property for which there is a
32 84 month occupancy requirement, the successful bidder at the
33 sheriff's sale shall pay a 20 percent deposit in either cash or by a
34 certified or cashier's check, made payable to the sheriff of the
35 county in which the sale is conducted, immediately upon the
36 conclusion of the foreclosure sale. In the case of residential
37 property in which the bidder shall occupy the property as the
38 bidder's primary residence for a period of at least 84 months, the
39 successful bidder who has fulfilled the requirements set forth in
40 subsection g. of this section shall pay a 3.5 percent deposit ¹[in
41 either] by¹ cash¹, ¹**[or by]** certified or cashier's check, ¹or by
42 wire transfer, ¹made payable to the sheriff of the county in which
43 the sale is conducted ¹or to the Special Master, if the sheriff cannot

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:

¹Assembly ACD committee amendments adopted February 3, 2022.

²Assembly ACE committee amendments adopted March 14, 2022.

1 comply with the provisions of subparagraph (a) of paragraph (3) of
 2 this subsection¹, immediately upon the conclusion of the
 3 foreclosure sale. If the successful bidder cannot satisfy this
 4 requirement, the bidder shall be in default and the sheriff shall
 5 immediately void the sale and proceed further with the resale of the
 6 premises without the necessity of adjourning the sale, without
 7 renotification of any party to the foreclosure and without the
 8 republication of any sales notice. Upon such resale, the defaulting
 9 bidder shall be liable to the foreclosing plaintiff for any additional
 10 costs incurred by such default including, but not limited to, any
 11 difference between the amount bid by the defaulting bidder and the
 12 amount generated for the foreclosing plaintiff at the resale. In the
 13 event the plaintiff is the successful bidder at the resale, the plaintiff
 14 shall provide a credit for the fair market value of the property
 15 foreclosed.

16 (5) It is permissible, upon consent of the sheriff conducting the
 17 sheriff's sale, that it shall not be necessary for an attorney or
 18 representative of the person who initiated the foreclosure to be
 19 present physically at the sheriff's sale to make a bid. A letter
 20 containing bidding instructions may be sent to the sheriff in lieu of
 21 an appearance.

22 (6) That each sheriff's office shall use, and the plaintiff's
 23 attorney shall prepare and submit to the sheriff's office, a deed
 24 which shall be in substantially the following form:

25 THIS INDENTURE,
 26 made this (date) day of (month),
 27 (year). Between (name), Sheriff of the County
 28 of (name) in the State of New Jersey, party of the first
 29 part and (name(s)) party of the
 30 second part, witnesseth.

31 WHEREAS, on the (date) day of
 32 (month), (year), a certain Writ of Execution was issued out of
 33 the Superior Court of New Jersey, Chancery Division-
 34 (name) County, Docket No. directed and delivered to the
 35 Sheriff of the said County of (name) and which said
 36 Writ is in the words or to the effect following that is to say:

37 THE STATE OF NEW JERSEY to the Sheriff of the County of
 38 (name),
 39 Greeting:

40 WHEREAS, on the (date) day of (month),
 41 (year), by a certain judgment made in our Superior Court
 42 of New Jersey, in a certain cause therein pending, wherein the
 43 PLAINTIFF is:

44
 45
 46

1 and the following named parties are the DEFENDANTS:

2
3
4

5 IT WAS ORDERED AND ADJUDGED that certain mortgaged
6 premises, with the appurtenances in the Complaint, and Amendment
7 to Complaint, if any, in the said cause particularly set forth and
8 described, that is to say: The mortgaged premises are described as
9 set forth upon the RIDER ANNEXED HERETO AND MADE A
10 PART HEREOF.

11 BEING KNOWN AS Tax Lot (number) in Block
12 (number) COMMONLY KNOWN AS (street address)
13

14 TOGETHER, with all and singular the rights, liberties, privileges,
15 hereditaments and appurtenances thereunto belonging or in anywise
16 appertaining, and the reversion and remainders, rents, issues and
17 profits thereof, and also all the estate, right, title, interest, use,
18 property, claim and demand of the said defendants of, in, to and out
19 of the same, to be sold, to pay and satisfy in the first place unto the
20 plaintiff,

21
22

23 the sum of \$ (amount) being the principal, interest and
24 advances secured by a certain mortgage dated (date,
25 month, year) and given by (name) together with
26 lawful interest from

27
28
29

30 until the same be paid and satisfied and also the costs of the
31 aforesaid plaintiff with interest thereon.

32 AND for that purpose a Writ of Execution should issue, directed to
33 the Sheriff of the County of (name) commanding him to
34 make sale as aforesaid; and that the surplus money arising from
35 such sale, if any there be, should be brought into our said Court, as
36 by the judgment remaining as of record in our said Superior Court
37 of New Jersey, at Trenton, doth and more fully appear; and
38 whereas, the costs and Attorney's fees of the said plaintiff have
39 been duly taxed at the following sum: \$ (amount)

40 THEREFORE, you are hereby commanded that you cause to be
41 made of the premises aforesaid, by selling so much of the same as
42 may be needful and necessary for the purpose, the said sum of
43 \$..... (amount) and the same you do pay to the said plaintiff
44 together with contract and lawful interest thereon as aforesaid, and
45 the sum aforesaid of costs with interest thereon.

46 And that you have the surplus money, if any there be, before our
47 said Superior Court of New Jersey, aforesaid at Trenton, within 30
48 days after pursuant to R.4:59-1(a), to abide the further Order of the

1 said Court, according to judgment aforesaid, and you are to make
2 return at the time and place aforesaid, by certificate under your
3 hand, of the manner in which you have executed this our Writ,
4 together with this Writ, and if no sale, this Writ shall be returnable
5 within **[12]** 24 months.

6 WITNESS, the Honorable (name), Judge of the Superior
7 Court at Trenton, aforesaid, the (date) day of
8 (month), (year).

9 /s/ (Clerk)
10 Superior Court of New Jersey

11 /s/.....
12 Attorney for Plaintiff

13 As by the record of said Writ of Execution in the Office of the
14 Superior Court of New Jersey, at Trenton, in Book
15 (number) of Executions, Page (number) etc., may more fully
16 appear.

17 AND WHEREAS I, the said (name), as such
18 Sheriff as aforesaid did in due form of law, before making such sale
19 give notice of the time and place of such sale by public
20 advertisement signed by myself, and set up in my office in the
21 (name) Building in (name) County,
22 being the County in which said real estate is situate and also set up
23 at the premises to be sold at least three weeks next before the time
24 appointed for such sale.

25 I also caused such notice to be published four times in two
26 newspapers designated by me and printed and published in the said
27 County, the County wherein the real estate sold is situate, the same
28 being designated for the publication by the Laws of this State, and
29 circulating in the neighborhood of said real estate, at least once a
30 week during four consecutive calendar weeks. One of such
31 newspapers, (name of newspaper) is a newspaper
32 with circulation in (name of town), the County seat of
33 said (name) County. The first publication was at least
34 twenty-one days prior and the last publication not more than eight
35 days prior to the time appointed for the sale of such real estate, and
36 by virtue of the said Writ of Execution, I did offer for sale said land
37 and premises at public vendue at the County (name)
38 Building in (name of town) on the (date)
39 day of, (month) (year) at the hour of
40 (time) in the (a.m. or p.m.).

41 WHEREUPON the said party of the second part bidding
42 therefore for the same, the sum of \$..... (amount) and no
43 other person bidding as much I did then and there openly and
44 publicly in due form of law between the hours of (time)
45 and (time) in the (a.m. or p.m.), strike off and sell
46 tracts or parcels of land and premises for the sum of \$
47 (amount) to the said party of the second part being then and there
48 the highest bidder for same. And on the (date) of

1 (month) in the year last aforesaid I did truly report the
2 said sale to the Superior Court of New Jersey, Chancery Division
3 and no objection to the said sale having been made, and by
4 Assignment of Bid filed with the Sheriff of (name)
5 County said bidder assigned its bid to:

6
7
8

9 NOW, THEREFORE, This Indenture witnesseth, that I, the said
10 (name), as such Sheriff as aforesaid under and by the
11 virtue of the said Writ of Execution and in execution of the power
12 and trust in me reposed and also for and in consideration of the said
13 sum of \$ (amount) therefrom acquit, exonerate and
14 forever discharge to the said party of the second part, its successors
15 and assigns, all and singular the said tract or parcel of lands and
16 premises, with the appurtenances, privileges, and hereditaments
17 thereunto belonging or in any way appertaining; to have and hold
18 the same, unto the said party of the second part, its successors and
19 assigns to its and their only proper use, benefit, and behoof forever,
20 in as full, ample and beneficial manner as by virtue of said Writ of
21 Execution I may, can or ought to convey the same.

22 And, I, the said (name), do hereby covenant, promise and
23 agree, to and with the said party of the second part, its successors
24 and assigns, that I have not, as such Sheriff as aforesaid, done or
25 caused, suffered or procured to be done any act, matter or thing
26 whereby the said premises, or any part thereof, with the
27 appurtenances, are or may be charged or encumbered in estate, title
28 or otherwise.

29 IN WITNESS WHEREOF, I the said (name) as such
30 Sheriff as aforesaid, have hereunto set my hand and seal the day and
31 year aforesaid.

32 Signed, sealed and delivered
33 in the presence of
34
35 Attorney at Law of New Jersey(name) Sheriff
36 STATE OF NEW JERSEY) SS.
37(county)

38 I, (name), Sheriff, of the County of (name),
39 do solemnly swear that the real estate described in this deed made
40 to

41
42
43

44 was by me sold by virtue of a good and subsisting execution (or as
45 the case may be) as is therein recited, that the money ordered to be
46 made has not been to my knowledge or belief paid or satisfied, that
47 the time and place of the same of said real estate were by me duly
48 advertised as required by law, and that the same was cried off and

1 sold to a bona fide purchaser for the best price that could be
2 obtained and the true consideration for this conveyance as set forth
3 in the deed is \$ (amount).

4
5 (name), Sheriff

6 Sworn before me, (name), on this (date) day of
7 (month), (year), and I having examined the deed
8 above mentioned do approve the same and order it to be recorded as
9 a good and sufficient conveyance of the real estate therein
10 described.

11 STATE OF NEW JERSEY) ss.
12 (Name) County) Attorney or Notary Public

13 On this (date) day of (month), (year),
14 before me, the subscriber, (name) personally
15 appeared (name), Sheriff of the County of
16 (name) aforesaid, who is, I am satisfied, the grantor in the within
17 Indenture named, and I having first made known to him the contents
18 thereof, he did thereupon acknowledge that he signed, sealed and
19 delivered the same on his voluntary act and deed, for the uses and
20 purposes therein expressed.

21
22 Attorney or Notary Public

23 b. At the conclusion of the sheriff's sale, the attorney for the
24 plaintiff **may** shall prepare and deliver to the sheriff a deed which
25 shall be in the form provided pursuant to paragraph **[(5)] (6)** of
26 subsection a. of this section for the sheriff's execution and the deed
27 shall be delivered to the sheriff within 10 days of the date of the
28 sale. The sheriff shall be entitled to the authorized fee, as a review
29 fee, even if the plaintiff's attorney prepares the deed.

30 c. (1) The sheriff's office shall, within two weeks of the date
31 of the sale, deliver a fully executed deed to the successful bidder at
32 the sale provided that the bidder pays the balance of the monies due
33 to the Sheriff by either cash or certified or cashier's check. In the
34 event a bid is satisfied after the expiration and additional interest is
35 collected from the successful bidder, the sheriff shall remit to the
36 plaintiff the total amount, less any fees, costs and commissions due
37 the sheriff, along with the additional interest.

38 (2) In the case of residential property in which the bidder shall
39 occupy the property as the bidder's primary residence for a period
40 of at least 84 months, no interest shall accrue on the balance of the
41 sale of the property until 60 business days have passed following
42 the date of the sale, and thereafter, the successful bidder shall have
43 30 business days to fulfill the balance. If the successful bidder fails
44 to fulfill the balance within this 90 business day period, the bidder
45 shall forfeit the deposit on the property and shall be responsible for
46 the payment of accrued interest and any fees or penalties incurred as
47 a result of the sale being void, unless the failure to fulfill the
48 balance is due to the bidder's inability to close a mortgage through

1 no fault of their own, such as because the appraised value of the
2 property is less than the purchase value of the property, in which
3 case the bidder shall be refunded the deposit on the property and
4 shall be responsible only for the payment of accrued interest and
5 any fees or penalties incurred as a result of the sale being void.

6 d. Prior to completion of a sale of residential property, the
7 foreclosing plaintiff shall disclose whether the property is vacant,
8 tenant-occupied, or owner-occupied. If the property is vacant, the
9 financial institution shall provide the successful bidder access to the
10 property.

11 e. A bidder, including, but not limited to, next of kin of the
12 foreclosed upon defendant, may purchase residential property at a
13 sheriff's sale by way of financing if the bidder provides
14 documentation that the bidder has been pre-approved by a financial
15 institution regulated by the Department of Banking and Insurance or
16 by a federal banking agency, as defined by section 3 of the "New
17 Jersey Residential Mortgage Lending Act," P.L.2009, c.53
18 (C.17:11C-53), for financing the property.

19 (1) A bidder who intends to finance the purchase of residential
20 property at a sale shall be:

21 (a) limited to submitting bids no higher than the amount for
22 which the bidder has been pre-approved for financing; and

23 (b) required to present current and valid photo identification that
24 substantially conforms to the name and information contained on
25 the financing pre-approval forms obtained by the bidder.

26 (2) With exception to the foreclosed upon defendant or the
27 foreclosed upon defendant's next of kin, a bidder purchasing
28 residential property in a sheriff's sale pursuant to this subsection
29 shall be required by the financial institution to occupy the property
30 as the bidder's primary residence for a fixed term, of at least 84
31 months after taking possession. The deed for the property shall
32 clearly state that the property may not be sold for 84 months from
33 the date of the sheriff's sale.

34 (3) A successful bidder who finances the purchase and does not
35 occupy the residence for a period of at least 84 months shall be
36 assessed a fine by a court of competent jurisdiction up to \$100,000
37 for the first violation, and \$500,000 thereafter for each subsequent
38 violation. These penalties shall not be assessed against a bidder
39 who finances the purchase in good faith and is thereafter required to
40 vacate the property prior to residing in the property for 84 months
41 due to death of the bidder or the bidder's spouse, disability of the
42 bidder or the bidder's spouse, divorce, military deployment, or
43 foreclosure. In the event of the death of a successful bidder, the
44 property may be transferred to another owner in accordance with
45 applicable laws governing estate, inheritance, and probate matters.

46 f. In the case of a residential property that is financed pursuant
47 to subsection e. of this section, the sheriff's office shall oversee the
48 occupancy of the property, which may include the mailing of a

1 questionnaire to the successful bidder within 84 months following
2 the sale, requiring the bidder to respond to questions and submit
3 documentation evidencing the bidder's continued residence at the
4 property. If the agency determines based upon its oversight that
5 there has been an occupancy violation, the agency shall bring an
6 action in a court of competent jurisdiction so that the sheriff's office
7 can pursue enforcement of penalties for the violation.

8 g. In the case of residential property, to be a successful bidder
9 who is not the plaintiff, and who intends to occupy the property,
10 and finance the purchase of the property, the bidder shall have
11 received eight hours of homebuyer education and counseling
12 through a program provided by the United States Department of
13 Housing and Urban Development (HUD), and shall present
14 certification of completion of that program within 90 business days
15 of the date that the sheriff's sale shall occur.

16 h. Each sheriff's office shall maintain information, written in
17 plain language, regarding the program to finance the purchase of
18 residential property in a foreclosure sale in accordance with this
19 section on its Internet website in a manner that is accessible to the
20 public. Additionally, each sheriff's office shall display information,
21 written in plain language, regarding the program in its office in a
22 manner that is conspicuous to the public. ¹The information posted
23 on a sheriff's Internet website or displayed in a sheriff's office
24 concerning the program shall further contain language notifying the
25 public that the program shall exclude those purchasing property for
26 investment purposes.¹ For any county in which the primary
27 language of 10 percent or more of the residents is a language other
28 than English, the sheriff's office shall provide the information
29 required by this subsection in that other language or languages in
30 addition to English. The alternate language shall be determined
31 based on information from the latest federal decennial census.

32 i. ¹If the foreclosed upon defendant or the next of kin of the
33 foreclosed upon defendant fails to secure financing or assets
34 sufficient to meet the terms offered by the foreclosing plaintiff or an
35 alternative financial institution to purchase the residential property,
36 the foreclosed upon defendant or next of kin of the foreclosed upon
37 defendant may request that a nonprofit community development
38 corporation purchase the property. If the nonprofit community
39 development corporation agrees to purchase the property from the
40 foreclosed upon defendant or next of kin of the foreclosed upon
41 defendant, the corporation shall:

42 (1) allow the foreclosed upon defendant or next of kin of the
43 foreclosed upon defendant to reside at the property for a period of
44 time as agreed upon in paragraph (2) of this subsection; and

45 (2) negotiate with the foreclosed upon defendant or next of kin
46 of the foreclosed upon defendant on an affordable lease schedule
47 that shall include an option to purchase the property from the
48 corporation.

1 j. A nonprofit community development corporation intending
2 to bid in a sheriff's sale for residential property shall, prior to the
3 sale, register its participation with the sheriff or Special Master if
4 the sheriff cannot comply with the provisions of paragraph (3) of
5 subsection a. of this section. In registering its participation in the
6 sale, a corporation shall provide the following information:

7 (a) the most recent form 1023 filing provided to the United
8 States Internal Revenue Service, stating the corporation's mission
9 of community revitalization and the creation or preservation of
10 affordable housing through the restoration of vacant and abandoned
11 property; and

12 (b) a nonprofit determination letter from the United States
13 Internal Revenue Service that was made at least 36 months prior to
14 the enactment of P.L. , c. (C.) (pending before the
15 Legislature as this bill).

16 k. (1) A nonprofit community development corporation,
17 founded at least 36 months prior to the enactment of
18 P.L. , c. (C.) (pending before the Legislature as this bill),
19 that successfully bids on the purchase of a residential property in a
20 sheriff's sale shall:

21 (a) restore as need be and sell the property to a household
22 earning no more than 120 percent below area median income or rent
23 the property as an affordable housing unit to a household who earns
24 no more than 100 percent below area median income, if the
25 property is vacant or abandoned at the time of the sheriff's sale; or

26 (b) if the property is occupied at the time of sale by the
27 foreclosed upon defendant or a tenant, the nonprofit community
28 development corporation shall negotiate with the foreclosed upon
29 defendant or tenant on an affordable lease schedule that will allow
30 the foreclosed upon defendant or tenant to continue to occupy the
31 property should the foreclosed upon defendant or tenant desire to do
32 so. If after 120 business days the foreclosed upon defendant or
33 tenant does not respond to the requests of the nonprofit community
34 development corporation to negotiate, the corporation may bring an
35 action in a court of competent jurisdiction to remove the foreclosed
36 upon defendant or tenant. If removal has successfully occurred, the
37 nonprofit community development corporation shall comply with
38 the requirements of subparagraph (a) of paragraph (1) of this
39 subsection.

40 (2) A nonprofit community development corporation that
41 successfully bids on the purchase of a residential property shall
42 ensure that, in any future sale of the property pursuant to
43 subparagraph (a) of paragraph (1) of this subsection, the property be
44 subject to a 30-year deed restriction requiring any future property
45 owner to sell the property to a household earning no more than 120
46 percent below area median income or rent the property as an
47 affordable housing unit to a household who earns no more than 100
48 percent below area median income.

1 l. Sales for real estate owned residential property, which shall
2 include but not be limited to virtual auctions, shall be subject to the
3 provisions of P.L. , c. (C.) (pending before the Legislature
4 as this bill).

5 m.¹ Any penalty imposed pursuant to this section may be
6 recovered with costs in a summary proceeding commenced by the
7 appropriate sheriff's office pursuant to the "Penalty Enforcement
8 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). Fifty percent
9 of any monies collected pursuant to this section shall be forwarded
10 to the municipality in which the foreclosed upon property is located
11 to be deposited in the affordable housing trust fund of the
12 municipality for use on low income housing or moderate income
13 housing needs as defined in section 4. of P.L.1985, c.222
14 (C.52:27D-304), to the extent the municipality maintains such a
15 fund, and if the municipality does not maintain such a fund, to the
16 State Treasurer, and shall annually be appropriated to the "New
17 Jersey Affordable Housing Trust Fund," section 20 of P.L.1985,
18 c.222 (C.52:27D-320) for the purpose of developing and supporting
19 housing programs that create for-sale and rental affordable housing
20 for the workforce. The remaining 50 percent of any monies
21 collected pursuant to this section shall provide for administrative
22 and enforcement costs, including costs incurred by the sheriff's
23 office, necessary to effectuate the purposes of this section.

24 ¹[j.] n. (1)¹ If the foreclosed upon defendant or the next of kin
25 of the foreclosed upon defendant has secured financing or assets
26 sufficient to meet terms offered by the foreclosing plaintiff or an
27 alternative financial institution to purchase the property, the
28 foreclosed upon defendant or the next of kin of the foreclosed upon
29 defendant shall have the right of first refusal to purchase the
30 property in the amount approved for the opening bid of the sheriff's
31 sale at the time of the sale. ¹Upon conclusion of the sale, the
32 foreclosed upon defendant or the next of kin of the foreclosed upon
33 defendant shall pay a 3.5 percent deposit in either cash, money
34 order, certified or cashier's check, or wire transfer, made payable to
35 the sheriff of the county in which the sale is conducted or to the
36 Special Master, if the sheriff cannot comply with the provisions of
37 paragraph (3) of subsection a. of this section.

38 (2) A nonprofit community development corporation shall have
39 a right of second refusal to purchase the property which is
40 subordinate to the first right of refusal provided to foreclosed upon
41 defendant and next of kin of the foreclosed upon defendant pursuant
42 to paragraph (1) of subsection 1. of this section. If the foreclosed
43 upon defendant or next of kin of the foreclosed upon defendant
44 decides not to participate in the sheriff's sale or fails to secure
45 financing or assets sufficient to meet the terms offered by the
46 foreclosing plaintiff or an alternative financial institution to
47 purchase the property, the corporation shall have the right of second
48 refusal to purchase the property in the amount approved for the

1 opening bid of the sheriff's sale at the time of the sale. Upon
 2 conclusion of the sale, the corporation shall pay a 3.5 percent
 3 deposit in either cash, money order, certified or cashier's check, or
 4 wire transfer, made payable to the sheriff of the county in which the
 5 sale is conducted or to the Special Master, if the sheriff cannot
 6 comply with the provisions of paragraph (3) of subsection a. of this
 7 section.¹

8 ¹**[k]** o¹. As used in this section:

9 ¹"Area median income" means the midpoint of a region's
 10 household income distribution, as determined by the United States
 11 Department of Housing and Urban Development.

12 "Nonprofit community development corporation" means a not-
 13 for-profit organization, incorporated at least 36 months prior to the
 14 enactment of this bill, whose mission centers around community
 15 revitalization through the restoration of vacant and abandoned
 16 property to create or preserve affordable housing, as indicated in the
 17 corporation's most recent form 1023 filing provided to the United
 18 States Internal Revenue Service.

19 "Real estate owned residential property" means residential
 20 property owned by a financial institution, as defined in subsection e.
 21 of this section, or a government agency.¹

22 "Residential property" means real property located in this State
 23 in which people reside or dwell as their primary residence^{1, 1} as
 24 distinguished from property which is used for investment,
 25 commercial, or business purposes.

26 (cf: P.L.2019, c.71, s.1)²

27
 28 ²1. Section 12 of P.L.1995, c.244 (C.2A:50-64) is amended to
 29 read as follows:

30 12. a. With respect to the sale of a mortgaged premises under
 31 foreclosure action, each sheriff in this State shall provide for, but
 32 not be limited to, the following uniform procedures:

33 (1) Bidding in the name of the assignee of the foreclosing
 34 plaintiff.

35 (2) That adjournment of the sale of the foreclosed property shall
 36 be in accordance with N.J.S.2A:17-36.

37 (3) (a) The sheriff shall conduct a sale within 150 days of the
 38 sheriff's receipt of any writ of execution issued by the court in any
 39 foreclosure proceeding.

40 (b) If it becomes apparent that the sheriff cannot comply with
 41 the provisions of subparagraph (a) of this paragraph (3), the
 42 foreclosing plaintiff may apply to the office for an order appointing
 43 a Special Master to hold the foreclosure sale.

44 (c) Upon the foreclosing plaintiff making such application to the
 45 office, the office shall issue the appropriate order appointing a
 46 Special Master to hold the foreclosure sale. The office may issue

1 the order to appoint a Special Master to hold foreclosure sales for
2 one or more properties within a vicinage.

3 (4) That the upset price for the sale of the foreclosed upon
4 property be no higher than 50 percent of the sum of the outstanding
5 mortgage and any interest, fees, or other costs accumulated from the
6 beginning of the foreclosure action.

7 (5) Except as otherwise provided in this paragraph with respect
8 to the purchase of residential property for which there is a 84 month
9 occupancy requirement, the successful bidder at the sheriff's sale
10 shall pay a 20 percent deposit in either cash or by a certified or
11 cashier's check, made payable to the sheriff of the county in which
12 the sale is conducted, immediately upon the conclusion of the
13 foreclosure sale. In the case of residential property in which the
14 bidder shall occupy the property as the bidder's primary residence
15 for a period of at least 84 months, the successful bidder who has
16 fulfilled the requirements set forth in subsection g. of this section
17 shall pay a 3.5 percent deposit by cash, certified or cashier's check,
18 or by wire transfer, made payable to the sheriff of the county in
19 which the sale is conducted or to the Special Master, if the sheriff
20 cannot comply with the provisions of subparagraph (a) of paragraph
21 (3) of this subsection, immediately upon the conclusion of the
22 foreclosure sale. If the successful bidder cannot satisfy this
23 requirement, the bidder shall be in default and the sheriff shall
24 immediately void the sale and proceed further with the resale of the
25 premises without the necessity of adjourning the sale, without
26 renotification of any party to the foreclosure and without the
27 republication of any sales notice. Upon such resale, the defaulting
28 bidder shall be liable to the foreclosing plaintiff for any additional
29 costs incurred by such default including, but not limited to, any
30 difference between the amount bid by the defaulting bidder and the
31 amount generated for the foreclosing plaintiff at the resale. In the
32 event the plaintiff is the successful bidder at the resale, the plaintiff
33 shall provide a credit for the fair market value of the property
34 foreclosed.

35 **[(5)] (6)** It is permissible, upon consent of the sheriff
36 conducting the sheriff's sale, that it shall not be necessary for an
37 attorney or representative of the person who initiated the
38 foreclosure to be present physically at the sheriff's sale to make a
39 bid. A letter containing bidding instructions may be sent to the
40 sheriff in lieu of an appearance.

41 **[(6)] (7)** That each sheriff's office shall use, and the plaintiff's
42 attorney shall prepare and submit to the sheriff's office, a deed
43 which shall be in substantially the following form:

44 THIS INDENTURE,
45 made this (date) day of (month),
46 (year). Between (name), Sheriff of the County
47 of (name) in the State of New Jersey, party of the first

1 part and (name(s)) party of the
2 second part, witnesseth.

3 WHEREAS, on the (date) day of
4 (month), (year), a certain Writ of Execution was issued out of
5 the Superior Court of New Jersey, Chancery Division-
6 (name) County, Docket No. directed and delivered to the
7 Sheriff of the said County of (name) and which said
8 Writ is in the words or to the effect following that is to say:

9 THE STATE OF NEW JERSEY to the Sheriff of the County of
10 (name),

11 Greeting:

12 WHEREAS, on the (date) day of (month),
13 (year), by a certain judgment made in our Superior Court
14 of New Jersey, in a certain cause therein pending, wherein the
15 PLAINTIFF is:

16
17
18

19 and the following named parties are the DEFENDANTS:

20
21
22

23 IT WAS ORDERED AND ADJUDGED that certain mortgaged
24 premises, with the appurtenances in the Complaint, and Amendment
25 to Complaint, if any, in the said cause particularly set forth and
26 described, that is to say: The mortgaged premises are described as
27 set forth upon the RIDER ANNEXED HERETO AND MADE A
28 PART HEREOF.

29 BEING KNOWN AS Tax Lot (number) in Block
30 (number) COMMONLY KNOWN AS (street address)
31

32 TOGETHER, with all and singular the rights, liberties, privileges,
33 hereditaments and appurtenances thereunto belonging or in anywise
34 appertaining, and the reversion and remainders, rents, issues and
35 profits thereof, and also all the estate, right, title, interest, use,
36 property, claim and demand of the said defendants of, in, to and out
37 of the same, to be sold, to pay and satisfy in the first place unto the
38 plaintiff,

39
40

41 the sum of \$ (amount) being the principal, interest and
42 advances secured by a certain mortgage dated (date,
43 month, year) and given by (name) together with
44 lawful interest from

45
46
47

1 until the same be paid and satisfied and also the costs of the
2 aforesaid plaintiff with interest thereon.

3 AND for that purpose a Writ of Execution should issue, directed to
4 the Sheriff of the County of (name) commanding him to
5 make sale as aforesaid; and that the surplus money arising from
6 such sale, if any there be, should be brought into our said Court, as
7 by the judgment remaining as of record in our said Superior Court
8 of New Jersey, at Trenton, doth and more fully appear; and
9 whereas, the costs and Attorney's fees of the said plaintiff have
10 been duly taxed at the following sum: \$ (amount)

11 THEREFORE, you are hereby commanded that you cause to be
12 made of the premises aforesaid, by selling so much of the same as
13 may be needful and necessary for the purpose, the said sum of
14 \$..... (amount) and the same you do pay to the said plaintiff
15 together with contract and lawful interest thereon as aforesaid, and
16 the sum aforesaid of costs with interest thereon.

17 And that you have the surplus money, if any there be, before our
18 said Superior Court of New Jersey, aforesaid at Trenton, within 30
19 days after pursuant to R.4:59-1(a), to abide the further Order of the
20 said Court, according to judgment aforesaid, and you are to make
21 return at the time and place aforesaid, by certificate under your
22 hand, of the manner in which you have executed this our Writ,
23 together with this Writ, and if no sale, this Writ shall be returnable
24 within **[12]** 24 months.

25 WITNESS, the Honorable (name), Judge of the Superior
26 Court at Trenton, aforesaid, the (date) day of
27 (month), (year).

28 /s/ (Clerk)

29 Superior Court of New Jersey

30 /s/.....

31 Attorney for Plaintiff

32 As by the record of said Writ of Execution in the Office of the
33 Superior Court of New Jersey, at Trenton, in Book
34 (number) of Executions, Page (number) etc., may more fully
35 appear.

36 AND WHEREAS I, the said (name), as such
37 Sheriff as aforesaid did in due form of law, before making such sale
38 give notice of the time and place of such sale by public
39 advertisement signed by myself, and set up in my office in the
40 (name) Building in (name) County,
41 being the County in which said real estate is situate and also set up
42 at the premises to be sold at least three weeks next before the time
43 appointed for such sale.

44 I also caused such notice to be published four times in two
45 newspapers designated by me and printed and published in the said
46 County, the County wherein the real estate sold is situate, the same
47 being designated for the publication by the Laws of this State, and
48 circulating in the neighborhood of said real estate, at least once a

1 week during four consecutive calendar weeks. One of such
 2 newspapers, (name of newspaper) is a newspaper
 3 with circulation in (name of town), the County seat of
 4 said (name) County. The first publication was at least
 5 twenty-one days prior and the last publication not more than eight
 6 days prior to the time appointed for the sale of such real estate, and
 7 by virtue of the said Writ of Execution, I did offer for sale said land
 8 and premises at public vendue at the County (name)
 9 Building in (name of town) on the (date)
 10 day of, (month) (year) at the hour of
 11 (time) in the (a.m. or p.m.).

12 WHEREUPON the said party of the second part bidding
 13 therefore for the same, the sum of \$..... (amount) and no
 14 other person bidding as much I did then and there openly and
 15 publicly in due form of law between the hours of (time)
 16 and (time) in the (a.m. or p.m.), strike off and sell
 17 tracts or parcels of land and premises for the sum of \$
 18 (amount) to the said party of the second part being then and there
 19 the highest bidder for same. And on the (date) of
 20 (month) in the year last aforesaid I did truly report the
 21 said sale to the Superior Court of New Jersey, Chancery Division
 22 and no objection to the said sale having been made, and by
 23 Assignment of Bid filed with the Sheriff of (name)
 24 County said bidder assigned its bid to:

25
 26
 27

28 NOW, THEREFORE, This Indenture witnesseth, that I, the said
 29 (name), as such Sheriff as aforesaid under and by the
 30 virtue of the said Writ of Execution and in execution of the power
 31 and trust in me reposed and also for and in consideration of the said
 32 sum of \$ (amount) therefrom acquit, exonerate and
 33 forever discharge to the said party of the second part, its successors
 34 and assigns, all and singular the said tract or parcel of lands and
 35 premises, with the appurtenances, privileges, and hereditaments
 36 thereunto belonging or in any way appertaining; to have and hold
 37 the same, unto the said party of the second part, its successors and
 38 assigns to its and their only proper use, benefit, and behoof forever,
 39 in as full, ample and beneficial manner as by virtue of said Writ of
 40 Execution I may, can or ought to convey the same.

41 And, I, the said (name), do hereby covenant, promise and
 42 agree, to and with the said party of the second part, its successors
 43 and assigns, that I have not, as such Sheriff as aforesaid, done or
 44 caused, suffered or procured to be done any act, matter or thing
 45 whereby the said premises, or any part thereof, with the
 46 appurtenances, are or may be charged or encumbered in estate, title
 47 or otherwise.

1 IN WITNESS WHEREOF, I the said (name) as such
2 Sheriff as aforesaid, have hereunto set my hand and seal the day and
3 year aforesaid.

4 Signed, sealed and delivered
5 in the presence of

6
7 Attorney at Law of New Jersey(name) Sheriff
8 STATE OF NEW JERSEY) SS.
9(county)

10 I, (name), Sheriff, of the County of (name),
11 do solemnly swear that the real estate described in this deed made
12 to

13
14
15

16 was by me sold by virtue of a good and subsisting execution (or as
17 the case may be) as is therein recited, that the money ordered to be
18 made has not been to my knowledge or belief paid or satisfied, that
19 the time and place of the same of said real estate were by me duly
20 advertised as required by law, and that the same was cried off and
21 sold to a bona fide purchaser for the best price that could be
22 obtained and the true consideration for this conveyance as set forth
23 in the deed is \$ (amount).

24
25 (name), Sheriff

26 Sworn before me, (name), on this (date) day of
27 (month), (year), and I having examined the deed
28 above mentioned do approve the same and order it to be recorded as
29 a good and sufficient conveyance of the real estate therein
30 described.

31 STATE OF NEW JERSEY) ss.
32 (Name) County) Attorney or Notary Public

33 On this (date) day of (month), (year),
34 before me, the subscriber, (name) personally
35 appeared (name), Sheriff of the County of
36 (name) aforesaid, who is, I am satisfied, the grantor in the within
37 Indenture named, and I having first made known to him the contents
38 thereof, he did thereupon acknowledge that he signed, sealed and
39 delivered the same on his voluntary act and deed, for the uses and
40 purposes therein expressed.

41
42 Attorney or Notary Public

43 b. At the conclusion of the sheriff's sale, the attorney for
44 the plaintiff shall prepare and deliver to the sheriff a deed which
45 shall be in the form provided pursuant to paragraph **[(6)] (7)** of
46 subsection a. of this section for the sheriff's execution and the deed
47 shall be delivered to the sheriff within 10 days of the date of the

1 sale. The sheriff shall be entitled to the authorized fee, as a review
2 fee, even if the plaintiff's attorney prepares the deed.

3 c. (1) The sheriff's office shall, within two weeks of the date
4 of the sale, deliver a fully executed deed to the successful bidder at
5 the sale provided that the bidder pays the balance of the monies due
6 to the Sheriff by either cash or certified or cashier's check. In the
7 event a bid is satisfied after the expiration and additional interest is
8 collected from the successful bidder, the sheriff shall remit to the
9 plaintiff the total amount, less any fees, costs and commissions due
10 the sheriff, along with the additional interest.

11 (2) In the case of residential property in which the bidder shall
12 occupy the property as the bidder's primary residence for a period
13 of at least 84 months, no interest shall accrue on the balance of the
14 sale of the property until 60 business days have passed following
15 the date of the sale, and thereafter, the successful bidder shall have
16 30 business days to fulfill the balance. If the successful bidder fails
17 to fulfill the balance within this 90 business day period, the bidder
18 shall forfeit the deposit on the property and shall be responsible for
19 the payment of accrued interest and any fees or penalties incurred as
20 a result of the sale being void, unless the failure to fulfill the
21 balance is due to the bidder's inability to close a mortgage through
22 no fault of their own, such as because the appraised value of the
23 property is less than the purchase value of the property, in which
24 case the bidder shall be refunded the deposit on the property and
25 shall be responsible only for the payment of accrued interest and
26 any fees or penalties incurred as a result of the sale being void.

27 d. Prior to completion of a sale of residential property, the
28 foreclosing plaintiff shall disclose whether the property is vacant,
29 tenant-occupied, or owner-occupied. If the property is vacant, the
30 financial institution shall provide the successful bidder access to the
31 property.

32 e. A bidder, including, but not limited to, next of kin of the
33 foreclosed upon defendant, may purchase residential property at a
34 sheriff's sale by way of financing if the bidder provides
35 documentation that the bidder has been pre-approved by a financial
36 institution regulated by the Department of Banking and Insurance or
37 by a federal banking agency, as defined by section 3 of the "New
38 Jersey Residential Mortgage Lending Act," P.L.2009, c.53
39 (C.17:11C-53), for financing the property.

40 (1) A bidder who intends to finance the purchase of residential
41 property at a sale shall be:

42 (a) limited to submitting bids no higher than the amount for
43 which the bidder has been pre-approved for financing; and

44 (b) required to present current and valid photo identification that
45 substantially conforms to the name and information contained on
46 the financing pre-approval forms obtained by the bidder.

47 (2) With exception to the foreclosed upon defendant or the
48 foreclosed upon defendant's next of kin, a bidder purchasing

1 residential property in a sheriff's sale pursuant to this subsection
2 shall be required by the financial institution to occupy the property
3 as the bidder's primary residence for a fixed term, of at least 84
4 months after taking possession. The deed for the property shall
5 clearly state that the property may not be sold for 84 months from
6 the date of the sheriff's sale.

7 (3) A successful bidder who finances the purchase and does not
8 occupy the residence for a period of at least 84 months shall be
9 assessed a fine by a court of competent jurisdiction up to \$100,000
10 for the first violation, and \$500,000 thereafter for each subsequent
11 violation. These penalties shall not be assessed against a bidder
12 who finances the purchase in good faith and is thereafter required to
13 vacate the property prior to residing in the property for 84 months
14 due to death of the bidder or the bidder's spouse, disability of the
15 bidder or the bidder's spouse, divorce, military deployment, or
16 foreclosure. In the event of the death of a successful bidder, the
17 property may be transferred to another owner in accordance with
18 applicable laws governing estate, inheritance, and probate matters.

19 f. In the case of a residential property that is financed pursuant
20 to subsection e. of this section, the sheriff's office shall oversee the
21 occupancy of the property, which may include the mailing of a
22 questionnaire to the successful bidder within 84 months following
23 the sale, requiring the bidder to respond to questions and submit
24 documentation evidencing the bidder's continued residence at the
25 property. If the agency determines based upon its oversight that
26 there has been an occupancy violation, the agency shall bring an
27 action in a court of competent jurisdiction so that the sheriff's office
28 can pursue enforcement of penalties for the violation.

29 g. In the case of residential property, to be a successful bidder
30 who is not the plaintiff, and who intends to occupy the property,
31 and finance the purchase of the property, the bidder shall have
32 received eight hours of homebuyer education and counseling
33 through a program provided by the United States Department of
34 Housing and Urban Development (HUD), and shall present
35 certification of completion of that program within 90 business days
36 of the date that the sheriff's sale shall occur.

37 h. Each sheriff's office shall maintain information, written in
38 plain language, regarding the program to finance the purchase of
39 residential property in a foreclosure sale in accordance with this
40 section on its Internet website in a manner that is accessible to the
41 public. Additionally, each sheriff's office shall display information,
42 written in plain language, regarding the program in its office in a
43 manner that is conspicuous to the public. The information posted
44 on a sheriff's Internet website or displayed in a sheriff's office
45 concerning the program shall further contain language notifying the
46 public that the program shall exclude those purchasing property for
47 investment purposes. For any county in which the primary
48 language of 10 percent or more of the residents is a language other

1 than English, the sheriff's office shall provide the information
2 required by this subsection in that other language or languages in
3 addition to English. The alternate language shall be determined
4 based on information from the latest federal decennial census.

5 i. If the foreclosed upon defendant or the next of kin of the
6 foreclosed upon defendant fails to secure financing or assets
7 sufficient to meet the terms offered by the foreclosing plaintiff or an
8 alternative financial institution to purchase the residential property,
9 the foreclosed upon defendant or next of kin of the foreclosed upon
10 defendant may request that a nonprofit community development
11 corporation purchase the property. If the nonprofit community
12 development corporation agrees to purchase the property from the
13 foreclosed upon defendant or next of kin of the foreclosed upon
14 defendant, the corporation shall:

15 (1) allow the foreclosed upon defendant or next of kin of the
16 foreclosed upon defendant to reside at the property for a period of
17 time as agreed upon in paragraph (2) of this subsection; and

18 (2) negotiate with the foreclosed upon defendant or next of kin
19 of the foreclosed upon defendant on an affordable lease schedule
20 that shall include an option to purchase the property from the
21 corporation.

22 j. A nonprofit community development corporation intending
23 to bid in a sheriff's sale for residential property shall, prior to the
24 sale, register its participation with the sheriff or Special Master if
25 the sheriff cannot comply with the provisions of paragraph (3) of
26 subsection a. of this section. In registering its participation in the
27 sale, a corporation shall provide the following information:

28 (a) the most recent form 1023 filing provided to the United
29 States Internal Revenue Service, stating the corporation's mission
30 of community revitalization and the creation or preservation of
31 affordable housing through the restoration of vacant and abandoned
32 property; and

33 (b) a nonprofit determination letter from the United States
34 Internal Revenue Service that was made at least 36 months prior to
35 the enactment of P.L. , c. (C.) (pending before the
36 Legislature as this bill).

37 k. (1) A nonprofit community development corporation,
38 founded at least 36 months prior to the enactment of
39 P.L. , c. (C.) (pending before the Legislature as this bill),
40 that successfully bids on the purchase of a residential property in a
41 sheriff's sale shall:

42 (a) restore as need be and sell the property to a household
43 earning no more than 120 percent below area median income or rent
44 the property as an affordable housing unit to a household who earns
45 no more than 100 percent below area median income, if the
46 property is vacant or abandoned at the time of the sheriff's sale; or

47 (b) if the property is occupied at the time of sale by the
48 foreclosed upon defendant or a tenant, the nonprofit community

1 development corporation shall negotiate with the foreclosed upon
2 defendant or tenant on an affordable lease schedule that will allow
3 the foreclosed upon defendant or tenant to continue to occupy the
4 property should the foreclosed upon defendant or tenant desire to do
5 so. If after 120 business days the foreclosed upon defendant or
6 tenant does not respond to the requests of the nonprofit community
7 development corporation to negotiate, the corporation may bring an
8 action in a court of competent jurisdiction to remove the foreclosed
9 upon defendant or tenant. If removal has successfully occurred, the
10 nonprofit community development corporation shall comply with
11 the requirements of subparagraph (a) of paragraph (1) of this
12 subsection.

13 (2) A nonprofit community development corporation that
14 successfully bids on the purchase of a residential property shall
15 ensure that, in any future sale of the property pursuant to
16 subparagraph (a) of paragraph (1) of this subsection, the property be
17 subject to a 30-year deed restriction requiring any future property
18 owner to sell the property to a household earning no more than 120
19 percent below area median income or rent the property as an
20 affordable housing unit to a household who earns no more than 100
21 percent below area median income.

22 l. Sales for real estate owned residential property, which shall
23 include but not be limited to virtual auctions, shall be subject to the
24 provisions of P.L. , c. (C.) (pending before the Legislature
25 as this bill).

26 m. Any penalty imposed pursuant to this section may be
27 recovered with costs in a summary proceeding commenced by the
28 appropriate sheriff's office pursuant to the "Penalty Enforcement
29 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). Fifty percent
30 of any monies collected pursuant to this section shall be forwarded
31 to the municipality in which the foreclosed upon property is located
32 to be deposited in the affordable housing trust fund of the
33 municipality for use on low income housing or moderate income
34 housing needs as defined in section 4 of P.L.1985, c.222
35 (C.52:27D-304), to the extent the municipality maintains such a
36 fund, and if the municipality does not maintain such a fund, to the
37 State Treasurer, and shall annually be appropriated to the "New
38 Jersey Affordable Housing Trust Fund," section 20 of P.L.1985,
39 c.222 (C.52:27D-320) for the purpose of developing and supporting
40 housing programs that create for-sale and rental affordable housing
41 for the workforce. The remaining 50 percent of any monies
42 collected pursuant to this section shall provide for administrative
43 and enforcement costs, including costs incurred by the sheriff's
44 office, necessary to effectuate the purposes of this section.

45 n. (1) If the foreclosed upon defendant or the next of kin of the
46 foreclosed upon defendant has secured financing or assets sufficient
47 to meet terms offered by the foreclosing plaintiff or an alternative
48 financial institution to purchase the property, the foreclosed upon

1 defendant or the next of kin of the foreclosed upon defendant shall
2 have the right of first refusal to purchase the property in the amount
3 approved for the opening bid of the sheriff's sale at the time of the
4 sale. Upon conclusion of the sale, the foreclosed upon defendant or
5 the next of kin of the foreclosed upon defendant shall pay a 3.5
6 percent deposit in either cash, money order, certified or cashier's
7 check, or wire transfer, made payable to the sheriff of the county in
8 which the sale is conducted or to the Special Master, if the sheriff
9 cannot comply with the provisions of paragraph (3) of subsection a.
10 of this section.

11 (2) A nonprofit community development corporation shall have
12 a right of second refusal to purchase the property which is
13 subordinate to the first right of refusal provided to a foreclosed
14 upon defendant and next of kin of the foreclosed upon defendant
15 pursuant to paragraph (1) of subsection 1. of this section. If the
16 foreclosed upon defendant or next of kin of the foreclosed upon
17 defendant decides not to participate in the sheriff's sale or fails to
18 secure financing or assets sufficient to meet the terms offered by the
19 foreclosing plaintiff or an alternative financial institution to
20 purchase the property, the corporation shall have the right of second
21 refusal to purchase the property in the amount approved for the
22 opening bid of the sheriff's sale at the time of the sale. Upon
23 conclusion of the sale, the corporation shall pay a 3.5 percent
24 deposit in either cash, money order, certified or cashier's check, or
25 wire transfer, made payable to the sheriff of the county in which the
26 sale is conducted or to the Special Master, if the sheriff cannot
27 comply with the provisions of paragraph (3) of subsection a. of this
28 section.

29 o. As used in this section:

30 "Area median income" means the midpoint of a region's
31 household income distribution, as determined by the United States
32 Department of Housing and Urban Development.

33 "Nonprofit community development corporation" means a not-
34 for-profit organization, incorporated at least 36 months prior to the
35 enactment of this bill, whose mission centers around community
36 revitalization through the restoration of vacant and abandoned
37 property to create or preserve affordable housing, as indicated in the
38 corporation's most recent form 1023 filing provided to the United
39 States Internal Revenue Service.

40 "Real estate owned residential property" means residential
41 property owned by a financial institution, as defined in subsection e.
42 of this section, or a government agency.

43 "Residential property" means real property located in this State
44 in which people reside or dwell as their primary residence, as
45 distinguished from property which is used for investment,
46 commercial, or business purposes.

1 “Upset price” means the minimum amount that a foreclosed upon
2 property shall be sold for in a sheriff’s sale.²

3 (cf: P.L.2019, c.71, s.1)

4
5 2. N.J.S.22A:4-8 is amended to read as follows:

6 22A:4-8. For the services hereinafter enumerated sheriffs and
7 other officers shall receive the following fees:

8 In addition to the mileage allowed by law, for serving every
9 summons and complaint, attachment or any mesne process issuing
10 out of the Superior Court, the sheriff or other officer serving such
11 process shall, for the first defendant or party on whom such process
12 is served, be allowed \$22.00 and, for service on the second
13 defendant named therein, \$20.00, and for serving such process on
14 any other defendant or defendants named therein, \$16.00 each, and
15 no more. If a man and his wife be named in such process they shall
16 be considered as one defendant, except where they are living
17 separate and apart.

18 Serving summons and complaint in matrimonial actions, in
19 addition to mileage, \$22.00.

20 Serving capias ad respondendum, capias ad satisfaciendum,
21 warrant of commitment, writ of ne exeat, in addition to mileage,
22 \$48.00.

23 Serving order to summon juries and return, \$8.00.

24 Serving every execution against goods or lands and making an
25 inventory and return, in addition to mileage, \$48.00.

26 For returning every writ, \$2.00.

27 Executing every writ of possession and return, in addition to
28 mileage, \$48.00.

29 Executing every writ of attachment, sequestration or replevin
30 issuing out of any of the courts, in addition to mileage, \$48.00.

31 For serving each out-of-State paper, in addition to the mileage
32 allowed by law, \$25.00 for the first defendant on whom such paper
33 is served, \$20.00 for service on the second defendant named
34 therein, and \$16.00 for serving such paper on any other defendant
35 or defendants named therein. If a man and wife be named in such
36 paper, they shall be considered as one defendant, except where they
37 are living separate and apart.

38 For serving or executing any process or papers where mileage is
39 allowed by law, the officer shall receive mileage actually traveled
40 to and from the courthouse, at the rate per mile of \$0.16.

41 The sheriff shall be entitled to retain out of all moneys collected
42 or received by him on a forfeited recognizance, whether before or
43 after execution, or from amercements, or from fines and costs on
44 conviction, on indictment or otherwise, whether such moneys are
45 payable to the State or to the county treasurer of the county wherein
46 conviction was had, **[5%]** five percent.

1 For transporting each offender to the State Prison, per mile, but
2 not less than \$3.00 for each offender, to be certified by the keeper
3 of the prison and the certificate to be delivered to the county
4 treasurer of the county where the conviction was had, \$0.23.

5
6 EXECUTION SALES
7

8 **【When】** Except as to sales conducted in accordance with section
9 12 of P.L.1995, c.244 (C.2A:50-64), when a sale is made by virtue
10 of an execution the sheriff shall be entitled to charge the following
11 fees: On all sums not exceeding \$5,000.00, **【6%】** 10 percent; on all
12 sums exceeding \$5,000.00 on such excess, **【4%】** five percent; the
13 minimum fee to be charged for a sale by virtue of an execution,
14 **【\$50.00】** ²**【\$750.00】** \$150.00². When sales are conducted in
15 accordance with section 12 of P.L.1995, c.244 (C.2A:50-64), the
16 sheriff shall be entitled to charge ²**【the following fees: On all sums**
17 not exceeding \$5,000.00, six percent; on all sums exceeding
18 \$5,000.00 on such excess, four percent; the minimum fee to be
19 charged for a **【** six percent on² a sale by virtue of an execution²**【,**
20 **【\$50.00】**².

21 On an execution against wages, commissions and salaries, the
22 sheriff shall charge the same percentage fees on all sums collected
23 as those percentage fees applicable in cases wherein an execution
24 sale is consummated.

25 When the execution is settled without actual sale and such
26 settlement is made manifest to the officer, the officer shall receive
27 **【1/2】** one-half of the amount of percentage allowed herein in case
28 of sale.

29 Making statement of execution, sales and execution fees, \$10.00.

30 Advertising the property for sale, provided the sheriff or deputy
31 sheriff attend in pursuance of the advertisement, \$20.00.

32 Posting property for sale, \$20.00.

33 For the crier of the vendue, when the sheriff proceeds to sell, for
34 every day he shall be actually employed in such sale, \$5.00.

35 Every adjournment of a sale, but no more than one adjournment
36 shall be allowed, and if the sheriff shall have several executions
37 against a defendant, he shall only be allowed for advertising,
38 attending and adjourning, as if he had but one execution, \$28.00.

39 Drawing and making a deed to a purchaser of real property,
40 \$75.00.

41 Drawing and making a bill of sale to the purchaser of personal
42 property when such bill of sale is required or demanded, \$20.00.

43 When more than one execution shall be issued out of the
44 Superior Court upon any judgment, each sheriff to whom such
45 execution shall be directed and delivered shall be entitled to collect
46 and receive from the defendant named in such execution the fees
47 allowed by law for making a levy and return and statement thereon,

1 or for such other services as may be actually performed by him, and
2 the sheriff who shall collect the amount named in said execution or
3 any part thereof, shall be entitled to the legal percentage upon
4 whatever amount may be so collected by him, but in case any such
5 judgment shall be settled between the parties and the amount due
6 thereon shall not be collected by either sheriff, then the percentage
7 on the amount collected which would be due the sheriff thereon in
8 case only one execution had been issued shall be equally divided
9 among the several sheriffs in whose hands an execution in the same
10 cause may have been placed.

11 The sheriff shall file his taxed bill of costs with the clerk of the
12 court out of which execution issued, within such time as the court
13 shall direct by general rule or special order, or, in default thereof,
14 he shall not be entitled to any costs. If any sheriff shall charge in
15 such bill of costs for services not done, or allowed by law, or shall
16 take any greater fee or reward for any services by him done than is
17 or shall be allowed by law, he shall be liable for the damages
18 sustained by the party aggrieved including a penalty of \$30.00, to
19 be recovered in a summary manner, in the action or proceeding
20 wherein the execution was issued or otherwise.

21 (cf: P.L.2001, c.370, s.5)

22

23 3. (New section) a. In situations in which a creditor has
24 instituted a foreclosure proceeding pursuant to the "Fair Foreclosure
25 Act," P.L.1995, c.244 (C.2A:50-53 et seq.) and a creditor employs an
26 agent to be responsible for the care, maintenance, security, and upkeep
27 of the property if it becomes vacant and abandoned, the creditor and
28 agent who peacefully enters the property and exercises reasonable care
29 in doing so, shall be immune from liability, before and after the bid,
30 for any damage to the property or any person entering the property.

31 b. Persons bidding on the property shall not enter the property
32 prior to the time of sale of the property to the successful bidder.

33

34 4. This act shall take effect ²**[immediately]** on the 90th day
35 next following enactment².