

[First Reprint]

ASSEMBLY, No. 5664

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED JUNE 26, 2023

Sponsored by:

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Co-Sponsored by:

Assemblywoman Piperno

SYNOPSIS

Establishes “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 December 11, 2023, with amendments.



(Sponsorship Updated As Of: 12/11/2023)

1 AN ACT concerning sheriff's sales and amending and
 2 supplementing P.L.1995, c.244, and amending N.J.S.22A:4-8.

3
 4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 5 *of New Jersey:*

6
 7 1. Section 12 of P.L.1995, c.244 (C.2A:50-64) is amended to
 8 read as follows:

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

12 (1) Bidding in the name of the assignee of the foreclosing
 13 plaintiff.

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

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

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

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

28 (4) That notice for the sale of a foreclosed upon residential
 29 property be mailed to the primary address of the foreclosed upon
 30 defendant and to the address of the foreclosed upon residential
 31 property. Notice of the sale shall be mailed in an envelope that
 32 plainly states on its exterior that the envelope is a notice for the sale
 33 of the foreclosed upon residential property¹. The language used on
 34 the exterior of the envelope shall comply with the federal Fair Debt
 35 Collection Practices Act, 15 U.S.C. s.1692 et seq¹.

36 (5) (a) That notice of the ¹**["final"]**¹ upset price for the sale of a
 37 foreclosed upon residential property be provided at least four weeks
 38 prior to the sheriff's sale and posted on the Internet website of the
 39 sheriff's office and on any other medium used to provide notice of
 40 the sheriff's sale. The ¹**["final"]**¹ upset price provided ¹in the notice
 41 shall be a good faith estimate of the upset price¹ on the day of the
 42 sheriff's sale ¹**["shall not differ from the final upset price provided**
 43 **in the notice"]**; however, the upset price on the day of the sheriff's
 44 sale shall not increase by more than three percent from the upset

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 ACE committee amendments adopted December 11, 2023.

1 price originally provided in the notice. If the sheriff's sale is
2 delayed or postponed, the upset price may be adjusted to reflect the
3 latest price¹; and

4 (b) Prior to providing the '【final】¹ upset price to the sheriff's
5 office pursuant to subparagraph (a) of this paragraph, the
6 foreclosing plaintiff or agent of the foreclosing plaintiff shall be
7 prohibited from contacting the foreclosed upon defendant, next of
8 kin of the foreclosed upon defendant, or a nonprofit community
9 development corporation to inquire whether the foreclosed upon
10 defendant, next of kin, or nonprofit community development
11 corporation intends to participate in the sheriff's sale for the
12 foreclosed upon property or exercise the provisions of P.L. , c.
13 (C.) (pending before the Legislature as this bill)¹. If, after
14 providing notice of the upset price pursuant to subsection a. of this
15 section, the foreclosing plaintiff is informed that the foreclosed
16 upon defendant, next of kin, or nonprofit community development
17 corporation intends to participate in the sheriff's sale or exercise the
18 provisions of P.L. , c. (C.) (pending before the Legislature
19 as this bill), the foreclosing plaintiff shall not attempt to delay or
20 postpone the sheriff's sale by reason of the foreclosed upon
21 defendant, next of kin, or nonprofit community development
22 corporation's intention to participate in the sheriff's sale or exercise
23 the provisions of P.L. , c. (C.) (pending before the
24 Legislature as this bill)¹.

25 (6) Prior to the sale of residential property, the foreclosing
26 plaintiff shall disclose, if known, whether the property is vacant,
27 tenant-occupied, or owner-occupied. If the property is vacant, the
28 foreclosing plaintiff shall provide the successful bidder access to
29 the property if the foreclosing plaintiff has such access and may
30 condition access by the successful bidder on being accompanied by
31 a representative of the foreclosing plaintiff.

32 (7) (a) Except as otherwise provided in subparagraphs (b) and
33 (c) of this paragraph, the successful bidder at the sheriff's sale shall
34 pay a 20 percent deposit in either cash or by a certified or cashier's
35 check, made payable to the sheriff of the county in which the sale is
36 conducted, immediately upon the conclusion of the foreclosure sale.

37 (b) In the case of residential property in which the successful
38 bidder is the foreclosed upon defendant, next of kin, tenant,
39 nonprofit community development corporation, or a bidder who
40 shall occupy the property as the bidder's primary residence for a
41 period of at least 84 months, the successful bidder who has fulfilled
42 the requirements set forth in subsection e. of this section shall pay a
43 3.5 percent deposit ¹of the original upset price listed in the notice
44 provided by the foreclosing plaintiff pursuant to subparagraph (a) of
45 paragraph (5) of this subsection,¹ with the rest of the balance due
46 within 90 business days by cash, certified or cashier's check, or by

1 wire transfer, made payable to the sheriff of the county in which the
 2 sale is conducted or to the Special Master, if the sheriff cannot
 3 comply with the provisions of subparagraph (a) of paragraph (3) of
 4 this subsection, immediately upon the conclusion of the foreclosure
 5 sale.

6 (c) If the successful bidder cannot satisfy **[this]** the requirement
 7 of this paragraph that is applicable to the bidder, or the applicable
 8 requirement of this paragraph respectively, the bidder shall be in
 9 default and the sheriff shall immediately void the sale and proceed
 10 further with the resale of the premises without the necessity of
 11 adjourning the sale, without renotification of any party to the
 12 foreclosure and without the republication of any sales notice. Upon
 13 such resale, the defaulting bidder shall be liable to the foreclosing
 14 plaintiff for any additional costs incurred by such default including,
 15 but not limited to, any difference between the amount bid by the
 16 defaulting bidder and the amount generated for the foreclosing
 17 plaintiff at the resale. In the event the plaintiff is the successful
 18 bidder at the resale, the plaintiff shall provide a credit for the fair
 19 market value of the property foreclosed.

20 **[(5)] (8)** It is permissible, upon consent of the sheriff
 21 conducting the sheriff's sale, that it shall not be necessary for an
 22 attorney or representative of the person who initiated the
 23 foreclosure to be present physically at the sheriff's sale to make a
 24 bid. A letter containing bidding instructions may be sent to the
 25 sheriff in lieu of an appearance.

26 **[(6)] (9)** That each sheriff's office shall use, and the plaintiff's
 27 attorney shall prepare and submit to the sheriff's office, a deed
 28 which shall be in substantially the following form:

29 THIS INDENTURE,
 30 made this (date) day of (month),
 31 (year). Between (name), Sheriff of the County
 32 of (name) in the State of New Jersey, party of the first
 33 part and (name(s)) party of the
 34 second part, witnesseth.

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

41 THE STATE OF NEW JERSEY to the Sheriff of the County of
 42 (name),

43 Greeting:

44 WHEREAS, on the (date) day of (month),
 45 (year), by a certain judgment made in our Superior Court

1 of New Jersey, in a certain cause therein pending, wherein the
2 PLAINTIFF is:

3
4
5

6 and the following named parties are the DEFENDANTS:

7
8
9

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

16 BEING KNOWN AS Tax Lot (number) in
17 Block (number) COMMONLY KNOWN AS
18 (street address)

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

26
27

28 the sum of \$ (amount) being the principal, interest and
29 advances secured by a certain mortgage dated (date,
30 month, year) and given by (name) together with
31 lawful interest from

32
33
34

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

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

45 THEREFORE, you are hereby commanded that you cause to be
46 made of the premises aforesaid, by selling so much of the same as

1 may be needful and necessary for the purpose, the said sum of
2 \$...... (amount) and the same you do pay to the said plaintiff
3 together with contract and lawful interest thereon as aforesaid, and
4 the sum aforesaid of costs with interest thereon.

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

13 WITNESS, the Honorable (name), Judge of the Superior
14 Court at Trenton, aforesaid, the (date) day of
15 (month), (year).

16 /s/ (Clerk)

17 Superior Court of New Jersey

18 /s/.....

19 Attorney for Plaintiff

20 As by the record of said Writ of Execution in the Office of the
21 Superior Court of New Jersey, at Trenton, in Book
22 (number) of Executions, Page (number) etc., may more fully
23 appear.

24 AND WHEREAS I, the said (name), as such
25 Sheriff as aforesaid did in due form of law, before making such sale
26 give notice of the time **[and]**, place, and '**[final]**' upset price of
27 such sale by public advertisement signed by myself, and set up in
28 my office in the (name) Building in
29 (name) County, being the County in which said real estate is situate
30 and also set up at the premises to be sold at least three weeks next
31 before the time appointed for such sale.

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

1 day of, (month) (year) at the hour of
2 (time) in the (a.m. or p.m.).
3 WHEREUPON the said party of the second part bidding
4 therefore for the same, the sum of \$..... (amount) and no
5 other person bidding as much I did then and there openly and
6 publicly in due form of law between the hours of (time)
7 and (time) in the (a.m. or p.m.), strike off and sell
8 tracts or parcels of land and premises for the sum of \$
9 (amount) to the said party of the second part being then and there
10 the highest bidder for same. And on the (date) of
11 (month) in the year last aforesaid I did truly report the
12 said sale to the Superior Court of New Jersey, Chancery Division
13 and no objection to the said sale having been made, and by
14 Assignment of Bid filed with the Sheriff of (name)
15 County said bidder assigned its bid to:
16
17
18
19 NOW, THEREFORE, This Indenture witnesseth, that I, the said
20 (name), as such Sheriff as aforesaid under and by the
21 virtue of the said Writ of Execution and in execution of the power
22 and trust in me reposed and also for and in consideration of the said
23 sum of \$ (amount) therefrom acquit, exonerate and
24 forever discharge to the said party of the second part, its successors
25 and assigns, all and singular the said tract or parcel of lands and
26 premises, with the appurtenances, privileges, and hereditaments
27 thereunto belonging or in any way appertaining; to have and hold
28 the same, unto the said party of the second part, its successors and
29 assigns to its and their only proper use, benefit, and behoof forever,
30 in as full, ample and beneficial manner as by virtue of said Writ of
31 Execution I may, can or ought to convey the same.
32 And, I, the said (name), do hereby covenant, promise and
33 agree, to and with the said party of the second part, its successors
34 and assigns, that I have not, as such Sheriff as aforesaid, done or
35 caused, suffered or procured to be done any act, matter or thing
36 whereby the said premises, or any part thereof, with the
37 appurtenances, are or may be charged or encumbered in estate, title
38 or otherwise.
39 IN WITNESS WHEREOF, I the said (name) as such
40 Sheriff as aforesaid, have hereunto set my hand and seal the day and
41 year aforesaid.
42 Signed, sealed and delivered
43 in the presence of
44
45 Attorney at Law of New Jersey(name) Sheriff
46 STATE OF NEW JERSEY) SS.

1(county)
2 I, (name), Sheriff, of the County of (name),
3 do solemnly swear that the real estate described in this deed made
4 to
5
6
7
8 was by me sold by virtue of a good and subsisting execution (or as
9 the case may be) as is therein recited, that the money ordered to be
10 made has not been to my knowledge or belief paid or satisfied, that
11 the time and place of the same of said real estate were by me duly
12 advertised as required by law, and that the same was cried off and
13 sold to a bona fide purchaser for the best price that could be
14 obtained and the true consideration for this conveyance as set forth
15 in the deed is \$ (amount).
16
17 (name), Sheriff
18 Sworn before me, (name), on this (date) day of
19 (month), (year), and I having examined the deed
20 above mentioned do approve the same and order it to be recorded as
21 a good and sufficient conveyance of the real estate therein
22 described.
23 STATE OF NEW JERSEY) ss.
24 (Name) County) Attorney or Notary Public
25 On this (date) day of (month), (year),
26 before me, the subscriber, (name) personally
27 appeared (name), Sheriff of the County of
28 (name) aforesaid, who is, I am satisfied, the grantor in the within
29 Indenture named, and I having first made known to him the contents
30 thereof, he did thereupon acknowledge that he signed, sealed and
31 delivered the same on his voluntary act and deed, for the uses and
32 purposes therein expressed.
33
34 Attorney or Notary Public
35 b. At the conclusion of the sheriff's sale, the attorney for the
36 plaintiff shall prepare and deliver to the sheriff a deed which shall
37 be in the form provided pursuant to paragraph **[(6)] (9)** of
38 subsection a. of this section for the sheriff's execution and the deed
39 shall be delivered to the sheriff within 10 days of the date of the
40 sale. The sheriff shall be entitled to the authorized fee, as a review
41 fee, even if the plaintiff's attorney prepares the deed.
42 c. (1) The sheriff's office shall, within two weeks of the date
43 of the sale, deliver a fully executed deed to the successful bidder at
44 the sale provided that the bidder pays the balance of the monies due
45 to the Sheriff by either cash or certified or cashier's check. In the
46 event a bid is satisfied after the expiration and additional interest is

1 collected from the successful bidder, the sheriff shall remit to the
2 plaintiff the total amount, less any fees, costs and commissions due
3 the sheriff, along with the additional interest.

4 (2) Notwithstanding the provisions of paragraph (1) of this
5 subsection, in the case of residential property in which the
6 successful bidder is permitted to pay a 3.5 percent deposit upon the
7 conclusion of the foreclosure sale pursuant to ¹[the provisions of
8 this section] subparagraph (b) of paragraph (7) of subsection a. of
9 this section¹, no interest shall accrue on the balance of the sale of
10 the property until 60 business days have passed following the date
11 of the sale, and thereafter, the successful bidder shall have 30
12 business days to fulfill the balance. If the successful bidder fails to
13 fulfill the balance within this 90 business day period, the bidder
14 shall forfeit the deposit on the property and shall be responsible for
15 the payment of accrued interest incurred as a result of the sale being
16 void, unless the failure to fulfill the balance is due to the bidder's
17 inability to close a mortgage through no fault of their own, which
18 includes, but is not limited to, the appraised value of the property
19 being less than the purchase value of the property or the financial
20 institution denying financing, in which case the bidder shall be
21 refunded the deposit on the property and shall be responsible only
22 for the payment of accrued interest. In addition, if a successful
23 bidder fails to fulfill the balance within this 90 business day period,
24 any subsequent foreclosure sale involving the same residential
25 property and the same foreclosing plaintiff and foreclosed upon
26 defendant shall be subject to the procedures set forth in
27 subparagraph (a) of paragraph (5) of subsection a. of this section
28 and there shall be no right of first or second refusal pursuant to
29 subsections d. and g. of this section.

30 d. In the case of a foreclosed residential property where the
31 foreclosed upon defendant is an individual and not a corporate
32 entity, if the foreclosed upon defendant, next of kin of the
33 foreclosed upon defendant, or tenant of the foreclosed upon
34 property has secured financing or assets sufficient to meet terms
35 offered by the foreclosing plaintiff or an alternative financial
36 institution to purchase the property, the foreclosed upon defendant,
37 next of kin of the foreclosed upon defendant, or tenant shall have
38 the right of first refusal to purchase the property ¹[in the amount
39 approved for the opening bid of the sheriff's sale at the time of the
40 sale] for the original upset price listed in the notice provided
41 pursuant to subparagraph a. of paragraph (5) of subsection a. of this
42 section¹. The right of first refusal shall only be made available to
43 the foreclosed upon defendant, next of kin of the foreclosed upon
44 defendant, or tenant for the initial sale of the foreclosed upon
45 property, unless the sale is delayed¹[,] or¹ postponed ¹[or
46 concludes with the foreclosing plaintiff purchasing the property]¹.

1 upon which the foreclosed upon defendant, next of kin of the
2 foreclosed upon defendant, or tenant shall ¹receive a retain the¹
3 right of first refusal ¹for the subsequent sale of the foreclosed upon
4 property] for the rescheduled date of sale¹. Such right shall be
5 deemed exercised if, prior to the opening of the bidding on the
6 foreclosed property, the foreclosed upon defendant, next of kin of
7 the foreclosed upon defendant, or tenant pays a 3.5 percent deposit¹
8 pursuant to the provisions of this section¹ with the rest of the
9 balance due within 90 business days by cash, certified or cashier's
10 check, or by wire transfer, made payable to the sheriff of the county
11 in which the sale is conducted or to the Special Master, if the sheriff
12 cannot comply with the provisions of subparagraph (a) of paragraph
13 (3) of subsection a. of this section.

14 e. A bidder, who is permitted to pay a 3.5 percent deposit upon
15 the conclusion of the foreclosure sale pursuant to the provisions of
16 this section, may purchase residential property at a sheriff's sale by
17 way of financing if the bidder provides documentation that the
18 bidder has been pre-approved by a financial institution regulated by
19 the Department of Banking and Insurance or by a federal banking
20 agency, as defined by section 3 of the "New Jersey Residential
21 Mortgage Lending Act," P.L.2009, c.53 (C.17:11C-53), for
22 financing a residential property.

23 (1) A bidder who is permitted to pay a 3.5 percent deposit upon
24 the conclusion of the foreclosure sale pursuant to the provisions of
25 this section and intends to finance the purchase of residential
26 property at a sale shall be:

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

29 (b) if the bidder is an individual, required to present current and
30 valid photo identification that substantially conforms to the name
31 and information contained on the financing pre-approval forms
32 obtained by the bidder.

33 (2) To be a successful bidder who is not the plaintiff, and who
34 intends to occupy the property and finance the purchase of the
35 property, the bidder shall have received eight hours of homebuyer
36 education and counseling through a United States Department of
37 Housing and Urban Development (HUD) certified housing
38 counseling agency, and shall present a certificate of completion or
39 proof of enrollment in that program to the sheriff.

40 (3) To ensure that the provisions of this section only apply to a
41 foreclosed upon defendant or next of kin of the foreclosed upon
42 defendant who has entered foreclosure proceedings due to
43 circumstances outside of the foreclosed upon defendant's control,
44 subsections d. through f. of this section shall only apply to a
45 foreclosed upon defendant or next of kin of the foreclosed upon

1 defendant that demonstrates to the foreclosing plaintiff that the
2 foreclosed upon defendant experienced:

3 (a) financial hardship;

4 (b) a physical or mental illness preventing the foreclosed upon
5 defendant from earning an income;

6 (c) divorce or legal separation;

7 (d) proof of death of the foreclosed upon defendant, or the
8 foreclosed upon defendant's spouse, or child; or

9 (e) predatory loan practices.

10 Any information provided under this paragraph shall be provided
11 at the request of the foreclosing plaintiff prior to the date of sale for
12 the foreclosing property and shall not conflict with subparagraph
13 (b) of paragraph (5) of subsection a. of this section.

14 (4) If a bidder intending to finance the purchase of the
15 residential property is a current tenant, the tenant shall provide
16 documentation confirming:

17 (a) that the tenant has resided at the property for at least a year;
18 and

19 (b) that the tenant is not in arrears with rent payments as of the
20 date the foreclosed upon defendant received a notice of foreclosure
21 from the foreclosing plaintiff.

22 (5) To prove the residency requirement pursuant to
23 subparagraph (a) of paragraph (4) of this subsection, the tenant shall
24 also be required to present at least two current and valid forms of
25 identification that substantially conform to the name and property
26 address contained in the tenant's lease agreement, which shall
27 include but not be limited to:

28 (a) a driver's license issued by the New Jersey Motor Vehicle
29 Commission;

30 (b) a utility bill;

31 (c) a checking or savings account statement from a bank or credit
32 union issued at least 60 days prior to submitting documentation
33 required pursuant to this subparagraph;

34 (d) a statement, receipt, or letter of correspondence from a
35 federal, State, or local government office delivered at least one year
36 prior to submitting documentation required pursuant to this
37 subparagraph; or

38 (e) any other form of identification that the sheriff deems valid
39 pursuant to this paragraph.

40 (6) A tenant shall be allowed to purchase residential property
41 pursuant to this subsection if a foreclosed upon defendant or next of
42 kin of the foreclosed upon defendant decides not to participate in
43 the sheriff's sale, enter into an agreement with a nonprofit
44 community development corporation pursuant to subsection f. of
45 this section, or fail to secure financing or assets sufficient to meet
46 the terms offered by the foreclosing plaintiff or an alternative

1 financial institution to purchase the property. A tenant shall have
2 up to 45 days to purchase the residential property after successfully
3 bidding for the property.

4 (7) With exception to the foreclosed upon defendant, the
5 foreclosed upon defendant's next of kin, or a nonprofit community
6 development corporation, an individual bidder purchasing
7 residential property in a sheriff's sale pursuant to this subsection
8 shall be required '【by the financial institution】' to occupy the
9 property as the bidder's primary residence for a fixed term of at
10 least 84 months after taking possession. The deed for the property
11 shall clearly state that the property may not be sold for 84 months
12 from the date of the sheriff's sale, except pursuant to the exceptions
13 permitting a successful bidder to vacate the property prior to
14 residing in the property for 84 months in paragraph (8) of this
15 subsection.

16 (8) With exception to the foreclosed upon defendant, the
17 foreclosed upon defendant's next of kin, or a nonprofit community
18 development corporation, a successful individual bidder who
19 finances the purchase pursuant to this subsection and does not
20 occupy the residence for a period of at least 84 months shall be
21 assessed a fine by a court of competent jurisdiction up to \$100,000
22 for the first violation, and \$500,000 thereafter for each subsequent
23 violation. These penalties shall not be assessed against a bidder
24 who finances the purchase with good faith and intent and is
25 thereafter required to vacate the property prior to residing in the
26 property for 84 months due to:

27 (a) death of the bidder or the bidder's spouse or child;

28 (b) disability of the bidder or a member of the bidder's
29 household;

30 (c) divorce;

31 (d) legal separation;

32 (e) military deployment;

33 (f) a change in employment of the bidder or a member of the
34 bidder's household that results in a reduction in income or a need to
35 move out-of-state;

36 (g) a change in the number of permanent residents of the
37 household due to: the birth or adoption of a child; or the permanent
38 relocation of an elder into the household, as proved by a note from
39 the doctor or social worker of the elder;

40 (h) a need to move to care for a family member for a period of
41 at least six months, as evidenced by: an address change; and a note
42 from the family member in need of care, the doctor of the family
43 member, or the social worker for the family member; or

44 (i) foreclosure.

45 In the event of the death of a successful bidder, the property may
46 be transferred to another owner in accordance with applicable laws

1 governing estate, inheritance, and probate matters and the
2 occupancy requirement shall be extinguished.

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

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

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

22 g. In the case of a foreclosed residential property, a nonprofit
23 community development corporation, that has a written agreement
24 with a foreclosed upon defendant, next of kin of the foreclosed
25 upon defendant, or tenant of the foreclosed upon property pursuant
26 to subsection f. of this section, shall have a right of second refusal
27 to purchase the property which is subordinate to the first right of
28 refusal provided to a foreclosed upon defendant, next of kin of the
29 foreclosed upon defendant, or tenant pursuant to subsection d. of
30 this section. If the foreclosed upon defendant, next of kin of the
31 foreclosed upon defendant, or tenant decides not to participate in
32 the sheriff's sale, enter into an agreement with the corporation
33 pursuant to subsection f. of this section, or fail to secure financing
34 or assets sufficient to meet the terms offered by the foreclosing
35 plaintiff or an alternative financial institution to purchase the
36 property, a nonprofit community development corporation shall
37 have the right of second refusal to purchase the property in the
38 amount approved for the opening bid of the sheriff's sale at the time
39 of the sale. Such right shall be deemed exercised if, prior to the
40 opening of the bidding on the foreclosed property, the corporation
41 pays a 3.5 percent deposit with the rest of the balance due within 90
42 business days by cash, certified or cashier's check, or by wire
43 transfer, made payable to the sheriff of the county in which the sale
44 is conducted or to the Special Master, if the sheriff cannot comply
45 with the provisions of subparagraph (a) of paragraph (3) of
46 subsection a. of this section. A nonprofit community development

1 corporation shall only have a right of second refusal to purchase the
2 property if it satisfies the requirements set forth in subsection h. of
3 this section and fulfills the conditions set forth in subsection j. of
4 this section.

5 h. (1) If a foreclosed upon defendant, next of kin of the
6 foreclosed upon defendant, or tenant of the foreclosed upon
7 property does not participate in the sheriff's sale, secure financing
8 or assets sufficient to meet the terms offered by the foreclosing
9 plaintiff or an alternative financial institution, or enter into
10 agreement with a nonprofit community development corporation
11 pursuant to subsection f. of this section, the nonprofit community
12 development corporation may enter a bid for the foreclosed upon
13 residential property.

14 (2) A nonprofit community development corporation intending
15 to bid in a sheriff's sale for residential property and pay a 3.5
16 percent deposit as permitted by this section shall, on the date of the
17 sheriff's sale, register its participation with the sheriff or Special
18 Master if the sheriff cannot comply with the provisions of
19 paragraph (3) of subsection a. of this section. In registering its
20 participation in the sale, a corporation shall provide the most recent
21 form 1023 filing provided to the United States Internal Revenue
22 Service, stating the corporation's mission includes community
23 revitalization and the creation or preservation of affordable housing
24 through the restoration of vacant and abandoned property.

25 i. (1) If more than one nonprofit community development
26 corporation seeks to exercise the right of second refusal, the right
27 shall belong in the first instance to a nonprofit community
28 development corporation that fulfills the conditions set forth in
29 subsection f. of this section. If no such nonprofit community
30 development corporation exists, priority shall belong to the
31 nonprofit community development corporation that first registers its
32 participation in the foreclosure sale pursuant to paragraph (2) of
33 subsection h. of this section.

34 (2) If an individual or nonprofit community development
35 corporation exercises a right of first or second refusal pursuant to
36 subsection d. or f. of this section, the foreclosure sale shall be
37 deemed concluded and the person or corporation shall be deemed to
38 be the successful bidder and shall be subject to the applicable
39 provisions and procedures of this section.

40 j. (1) A nonprofit community development corporation that
41 successfully bids on the purchase of a residential property in a
42 sheriff's sale and satisfies the conditions set forth in subsection h.
43 of this section shall be subject to the fines assessed pursuant to
44 paragraph (3) of this subsection if the nonprofit corporation does
45 not:

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

6 (b) if the property is occupied at the time of sale by either a
7 tenant or the foreclosed upon defendant with whom the nonprofit
8 community development corporation does not already have an
9 agreement pursuant to subsection f. of this section, the nonprofit
10 community development corporation shall negotiate in good faith
11 with the foreclosed upon defendant or tenant on an affordable lease
12 schedule that will allow the foreclosed upon defendant or tenant to
13 continue to occupy the property should the foreclosed upon
14 defendant or tenant desire to do so. If after 120 business days the
15 foreclosed upon defendant or tenant does not respond to the
16 requests of the nonprofit community development corporation to
17 negotiate, the corporation may bring an action in a court of
18 competent jurisdiction to remove the foreclosed upon defendant or
19 tenant. If removal has successfully occurred, the nonprofit
20 community development corporation shall comply with the
21 requirements of subparagraph (a) of paragraph (1) of this
22 subsection.

23 (2) A nonprofit community development corporation that
24 successfully bids on the purchase of a residential property and
25 satisfies the conditions set forth in subsection f. of this section shall
26 ensure that, in any future sale of the property pursuant to
27 subparagraph (a) of paragraph (1) of this subsection, the property be
28 subject to a renewable deed restriction, with the minimum number
29 of affordability years being 30 years and with the option to renew,
30 requiring any future property owner to sell the property to a
31 household earning no more than 120 percent below area median
32 income or rent the property as an affordable housing unit to a
33 household who earns no more than 100 percent below area median
34 income.

35 (3) A nonprofit community development corporation that
36 successfully bids on and completes the purchase of a residential
37 property in a sheriff's sale and satisfies the conditions set forth in
38 subsection f. of this section and fails to meet the requirements of
39 this subsection shall be assessed a fine by a court of competent
40 jurisdiction of up to \$100,000 for the first violation, and \$500,000
41 thereafter for each subsequent violation. If the 'appropriate'
42 sheriff's office ¹, county administrative agent, or affordable housing
43 administrative agent that is hired by the county¹ determines based
44 upon its oversight that there has been a violation of this subsection,
45 the sheriff's office ¹, county administrative agent, or affordable
46 housing administrative agent¹ shall bring an action in a court of

1 competent jurisdiction so that the sheriff's office¹, county
2 administrative agent, or affordable housing administrative agent¹
3 can pursue enforcement of penalties for the violation. If the
4 nonprofit community development corporation dissolves, the deed
5 of the residential property shall be transferred to another nonprofit
6 community development corporation who shall be bound by the
7 requirements of this subsection.

8 k. In the case of a residential property for which the successful
9 bidder is subject to the occupancy requirement pursuant to
10 paragraphs (7) and (8) of subsection e. of this section, the
11 appropriate sheriff's office, county administrative agent, or
12 affordable housing administrative agent that is hired by the county
13 shall oversee the occupancy of the property, which may include the
14 mailing of a questionnaire to the successful bidder within 84
15 months following the sale or requiring the bidder to respond to
16 questions and submit documentation evidencing the bidder's
17 continued residence at the property using the proof of residency
18 documents provided pursuant to paragraph (5) of subsection e. of
19 this section. If the appropriate sheriff's office, county
20 administrative agent, or affordable housing administrative agent
21 that is hired by the county determines based upon its oversight that
22 there has been an occupancy violation, the sheriff's office, county
23 administrative agent, or affordable housing administrative agent
24 hired by the county shall refer the matter to the county counsel's
25 office to bring an action in a court of competent jurisdiction so that
26 the sheriff's office can pursue enforcement of penalties for the
27 violation.

28 l. Each sheriff's office shall maintain information, written in
29 plain language, regarding the program to finance the purchase of
30 residential property in a foreclosure sale in accordance with this
31 section on its Internet website, and in any other medium used by the
32 office to advertise a foreclosure sale, in a manner that is accessible
33 to the public. Additionally, each sheriff's office shall display
34 information, written in plain language, regarding the Community
35 Wealth Preservation Program in its office in a manner that is
36 conspicuous to the public. The information posted on a sheriff's
37 Internet website or displayed in a sheriff's office concerning the
38 program shall further contain language notifying the public that the
39 program shall exclude those purchasing property for investment
40 purposes. For any county in which the primary language of 10
41 percent or more of the residents is a language other than English,
42 the sheriff's office shall provide the information required by this
43 subsection in that other language or languages in addition to
44 English. The alternate language shall be determined based on
45 information from the latest federal decennial census.

1 m. Any sheriff's sales conducted virtually shall be subject to the
2 provisions of P.L. , c. (C.) (pending before the Legislature
3 as this bill).

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

24 o. The provisions of P.L. , c. (C.) (pending before the
25 Legislature as this bill) shall only apply to residential property as
26 defined pursuant to subsection p. of this section.

27 p. As used in this section:
28 "Area median income" means the midpoint of a region's
29 household income distribution, as determined by the United States
30 Department of Housing and Urban Development.

31 "Community Wealth Preservation Program" means the program
32 created by P.L. , c. (C.) (pending before the Legislature as
33 this bill) to assist prospective owner-occupants, nonprofit
34 community development corporations, foreclosed upon defendants,
35 next of kin of foreclosed upon defendants, and tenants of foreclosed
36 upon defendants in purchasing and financing foreclosed upon
37 residential properties in sheriff's sales with an initial 3.5 percent
38 deposit.

39 "Nonprofit community development corporation" means a not-
40 for-profit organization, whose mission includes community
41 revitalization through the restoration of vacant and abandoned
42 property to create or preserve affordable housing, as indicated in the
43 corporation's most recent form 1023 filing provided to the United
44 States Internal Revenue Service.

45 "Residential property" means real property located in this State
46 in which people reside or dwell as their primary residence, and shall

1 not include property which is used for investment, commercial, or
2 business purposes or residential property containing more than four
3 residential units.

4 “Upset price” means the minimum amount that a foreclosed upon
5 property shall be sold for in a sheriff’s sale as determined by the
6 foreclosing plaintiff.

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

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

10 22A:4-8. For the services hereinafter enumerated sheriffs and
11 other officers shall receive the following fees:

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

22 Serving summons and complaint in matrimonial actions, in
23 addition to mileage, \$22.00.

24 Serving capias ad respondendum, capias ad satisfaciendum,
25 warrant of commitment, writ of ne exeat, in addition to mileage,
26 \$48.00.

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

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

30 For returning every writ, \$2.00.

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

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

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

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

45 The sheriff shall be entitled to retain out of all moneys collected
46 or received by him on a forfeited recognizance, whether before or

1 after execution, or from amercements, or from fines and costs on
2 conviction, on indictment or otherwise, whether such moneys are
3 payable to the State or to the county treasurer of the county wherein
4 conviction was had, **[5%]** five percent.

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

9
10 EXECUTION SALES

11
12 **[When]** ¹**[Except as to sales conducted in accordance with**
13 section 12 of P.L.1995, c.244 (C.2A:50-64), when a sale is made by
14 virtue of an execution the sheriff shall be entitled to charge the
15 following fees: On all sums not exceeding \$5,000.00, **[6%]** 10
16 percent; on all sums exceeding \$5,000.00 on such excess, **[4%]**
17 five percent; the minimum fee to be charged for a sale by virtue of
18 an execution, **[\$50.00]** \$150.00. When sales are] On a sale¹
19 conducted in accordance with section 12 of P.L.1995, c.244
20 (C.2A:50-64), the sheriff shall be entitled to charge six percent on a
21 sale by virtue of an execution ¹; however, if a sale reverts to the
22 foreclosing plaintiff, the fee to be charged on a sale by virtue of an
23 execution shall be \$150.00.

24 When a sale is made by virtue of an execution and is not
25 conducted in accordance with section 12 of P.L.1995, c.244
26 (C.2A:50-64), the sheriff shall be entitled to charge the following
27 fees:

28 On all sums not exceeding \$5,000.00, 10 percent; on all sums
29 exceeding \$5,000.00 on such excess, five percent; the minimum fee
30 to be charged for a sale by virtue of an execution, \$150.00.¹

31 On an execution against wages, commissions and salaries, the
32 sheriff shall charge the same percentage fees on all sums collected
33 as those percentage fees applicable in cases wherein an execution
34 sale is consummated.

35 When the execution is settled without actual sale and such
36 settlement is made manifest to the officer, the officer shall receive
37 **[1/2]** one-half of the amount of percentage allowed herein in case
38 of sale.

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

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

42 Posting property for sale, \$20.00. For the crier of the
43 vendue, when the sheriff proceeds to sell, for every day he shall be
44 actually employed in such sale, \$5.00.

45 Every adjournment of a sale, but no more than one adjournment
46 shall be allowed, and if the sheriff shall have several executions

1 against a defendant, he shall only be allowed for advertising,
2 attending and adjourning, as if he had but one execution, \$28.00.

3 Drawing and making a deed to a purchaser of real property,
4 \$75.00.

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

7 When more than one execution shall be issued out of the
8 Superior Court upon any judgment, each sheriff to whom such
9 execution shall be directed and delivered shall be entitled to collect
10 and receive from the defendant named in such execution the fees
11 allowed by law for making a levy and return and statement thereon,
12 or for such other services as may be actually performed by him, and
13 the sheriff who shall collect the amount named in said execution or
14 any part thereof, shall be entitled to the legal percentage upon
15 whatever amount may be so collected by him, but in case any such
16 judgment shall be settled between the parties and the amount due
17 thereon shall not be collected by either sheriff, then the percentage
18 on the amount collected which would be due the sheriff thereon in
19 case only one execution had been issued shall be equally divided
20 among the several sheriffs in whose hands an execution in the same
21 cause may have been placed.

22 The sheriff shall file his taxed bill of costs with the clerk of the
23 court out of which execution issued, within such time as the court
24 shall direct by general rule or special order, or, in default thereof,
25 he shall not be entitled to any costs. If any sheriff shall charge in
26 such bill of costs for services not done, or allowed by law, or shall
27 take any greater fee or reward for any services by him done than is
28 or shall be allowed by law, he shall be liable for the damages
29 sustained by the party aggrieved including a penalty of \$30.00, to
30 be recovered in a summary manner, in the action or proceeding
31 wherein the execution was issued or otherwise.

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

33

34 3. (New section) a. In situations in which a creditor has
35 instituted a foreclosure proceeding pursuant to the "Fair Foreclosure
36 Act," P.L.1995, c.244 (C.2A:50-53 et seq.) and a creditor employs
37 an agent to be responsible for the care, maintenance, security, and
38 upkeep of the property if it becomes vacant and abandoned, the
39 creditor and agent who peacefully enter the property and exercise
40 reasonable care in doing so, shall be immune from liability, before
41 and after the bid, for any damage to the property or any person
42 entering the property.

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

45

46 4. This act shall take effect immediately.