

CHAPTER 255

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

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

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

C.2A:50-64 Procedures for sale.

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

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

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

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

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

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

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

(5) (a) That notice of the upset price for the sale of a foreclosed upon residential property be provided at least four weeks prior to the sheriff's sale and posted on the Internet website of the sheriff's office and on any other medium used to provide notice of the sheriff's sale. The upset price provided in the notice shall be a good faith estimate of the upset price on the day of the sheriff's sale; however, the upset price on the day of the sheriff's sale shall not increase by more than three percent from the upset price originally provided in the notice. If the sheriff's sale is delayed or postponed, or if circumstances occur that require unforeseen advances to protect the borrower or the foreclosed upon residential property in the event of vandalism, weather damage, or other emergency property preservation needs, the upset price may be adjusted to reflect these costs in the latest price; and

(b) Prior to providing the upset price to the sheriff's office pursuant to subparagraph (a) of this paragraph, the foreclosing plaintiff or agent of the foreclosing plaintiff shall be prohibited from contacting the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or a nonprofit community development corporation to inquire whether the foreclosed upon defendant, next of kin, or nonprofit community development corporation intends to participate in the sheriff's sale for the foreclosed upon property or exercise the provisions of P.L.2023, c.255 (C.2A:50-56a et al.). If, after providing notice of the upset price pursuant to subsection a. of this section, the foreclosing plaintiff is informed that the foreclosed upon defendant, next

of kin, or nonprofit community development corporation intends to participate in the sheriff's sale or exercise the provisions of P.L.2023, c.255 (C.2A:50-56a et al.), the foreclosing plaintiff shall not attempt to delay or postpone the sheriff's sale by reason of the foreclosed upon defendant, next of kin, or nonprofit community development corporation's intention to participate in the sheriff's sale or exercise the provisions of P.L.2023, c.255 (C.2A:50-56a et al.). Any notice required pursuant to this paragraph shall comply with the federal "Fair Debt Collection Practices Act," 15 U.S.C. s.1692 et seq.

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

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

(b) In the case of residential property in which the successful bidder is the foreclosed upon defendant, next of kin, tenant, nonprofit community development corporation, or a bidder who shall occupy the property as the bidder's primary residence for a period of at least 84 months, the successful bidder who has fulfilled the requirements set forth in subsection e. of this section shall pay a 3.5 percent deposit of the original upset price listed in the notice provided by the foreclosing plaintiff pursuant to subparagraph (a) of paragraph (5) of this subsection, or the final starting upset price listed for the sale of the property, whichever is less, with the rest of the balance due within 90 business days by cash, certified or cashier's check, or by wire transfer, made payable to the sheriff of the county in which the sale is conducted or to the Special Master, if the sheriff cannot comply with the provisions of subparagraph (a) of paragraph (3) of this subsection, immediately upon the conclusion of the foreclosure sale.

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

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

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

THIS INDENTURE,

made this (date) day of (month), (year). Between (name), Sheriff of the County of (name) in the State of New Jersey, party of the first part and (name(s)) party of the second part, witnesseth.

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

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

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

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.....

and the following named parties are the DEFENDANTS:

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

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

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

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

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

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

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

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

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

/s/ (Clerk)
Superior Court of New Jersey

/s/.....
Attorney for Plaintiff

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

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

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

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

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

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

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

Signed, sealed and delivered

in the presence of

.....

Attorney at Law of New Jersey(name) Sheriff

STATE OF NEW JERSEY) SS.

.....(county)

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

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was by me sold by virtue of a good and subsisting execution (or as the case may be) as is therein recited, that the money ordered to be made has not been to my knowledge or belief

paid or satisfied, that the time and place of the same of said real estate were by me duly advertised as required by law, and that the same was cried off and sold to a bona fide purchaser for the best price that could be obtained and the true consideration for this conveyance as set forth in the deed is \$ (amount).

.....
..... (name), Sheriff

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

STATE OF NEW JERSEY) ss.

..... (Name) County) Attorney or Notary Public

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

.....
Attorney or Notary Public

b. At the conclusion of the sheriff's sale, the attorney for the plaintiff shall prepare and deliver to the sheriff a deed which shall be in the form provided pursuant to paragraph (9) of subsection a. of this section for the sheriff's execution and the deed shall be delivered to the sheriff within 10 days of the date of the sale. The sheriff shall be entitled to the authorized fee, as a review fee, even if the plaintiff's attorney prepares the deed.

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

(2) Notwithstanding the provisions of paragraph (1) of this subsection, in the case of residential property in which the successful bidder is permitted to pay a 3.5 percent deposit upon the conclusion of the foreclosure sale pursuant to subparagraph (b) of paragraph (7) of subsection a. of this section, no interest shall accrue on the balance of the sale of the property until 60 business days have passed following the date of the sale, and thereafter, the successful bidder shall have 30 business days to fulfill the balance. If the successful bidder fails to fulfill the balance within this 90 business day period, the bidder shall forfeit the deposit on the property and shall be responsible for the payment of accrued interest incurred as a result of the sale being void, unless the failure to fulfill the balance is due to the bidder's inability to close a mortgage through no fault of their own, which includes, but is not limited to, the appraised value of the property being less than the purchase value of the property or the financial institution denying financing, in which case the bidder shall be refunded the deposit on the property and shall be responsible only for the payment of accrued interest. In addition, if a successful bidder fails to fulfill the balance within this 90 business day period, any subsequent foreclosure sale involving the same residential property and the same foreclosing plaintiff and

foreclosed upon defendant shall be subject to the procedures set forth in subparagraph (a) of paragraph (7) of subsection a. of this section and there shall be no right of first or second refusal pursuant to subsections d. and g. of this section.

d. In the case of a foreclosed residential property where the foreclosed upon defendant is an individual and not a corporate entity, if the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant of the foreclosed upon property has secured financing or assets sufficient to meet terms offered by the foreclosing plaintiff or an alternative financial institution to purchase the property, the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant shall have the right of first refusal to purchase the property for the original upset price listed in the notice provided pursuant to subparagraph a. of paragraph (5) of subsection a. of this section, or at the final starting upset price listed for the sale of the property, whichever is less. The right of first refusal shall only be made available to the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant for the initial sale of the foreclosed upon property, unless the sale is delayed or postponed, upon which the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant shall retain the right of first refusal for the rescheduled date of sale. Such right shall be deemed exercised if, prior to the opening of the bidding on the foreclosed property, the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant pays a 3.5 percent deposit with the rest of the balance due within 90 business days, pursuant to the provisions of this section, by cash, certified or cashier's check, or by wire transfer, made payable to the sheriff of the county in which the sale is conducted or to the Special Master, if the sheriff cannot comply with the provisions of subparagraph (a) of paragraph (3) of subsection a. of this section.

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

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

(a) preapproved for the amount of the original upset price listed in the notice provided pursuant to subparagraph a. of paragraph (5) of subsection a. of this section or the final starting upset price listed for the sheriff's sale of the property, whichever is less;

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

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

(2) A tenant or a successful bidder who intends to occupy the property for 84 months, and finances the purchase of the property and pays a 3.5 percent deposit pursuant to the provisions of this section, shall have received eight hours of homebuyer education and counseling through a United States Department of Housing and Urban Development (HUD) certified housing counseling agency, and shall present a certificate of completion or proof of enrollment in that program to the sheriff.

(3) To ensure that the provisions of this section only apply to a foreclosed upon defendant or next of kin of the foreclosed upon defendant who has entered foreclosure proceedings due to circumstances outside of the foreclosed upon defendant's control, subsections d. through f. of this section shall only apply to a foreclosed upon defendant or next of kin of the foreclosed upon defendant that demonstrates to the foreclosing plaintiff that the foreclosed upon defendant experienced:

- (a) financial hardship;
- (b) a physical or mental illness preventing the foreclosed upon defendant from earning an income;
- (c) divorce or legal separation;
- (d) proof of death of the foreclosed upon defendant, or the foreclosed upon defendant's spouse, or child; or
- (e) predatory loan practices.

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

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

- (a) that the tenant has resided at the property for at least a year; and
- (b) that the tenant is not in arrears with rent payments as of the date the foreclosed upon defendant received a notice of foreclosure from the foreclosing plaintiff.

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

- (a) a driver's license issued by the New Jersey Motor Vehicle Commission;
- (b) a utility bill;
- (c) a checking or savings account statement from a bank or credit union issued at least 60 days prior to submitting documentation required pursuant to this subparagraph;
- (d) a statement, receipt, or letter of correspondence from a federal, State, or local government office delivered at least one year prior to submitting documentation required pursuant to this subparagraph; or
- (e) any other form of identification that the sheriff deems valid pursuant to this paragraph.

(6) A tenant shall be allowed to purchase residential property pursuant to this subsection if a foreclosed upon defendant or next of kin of the foreclosed upon defendant decides not to participate in the sheriff's sale or exercise the provisions of P.L.2023, c.255 (C.2A:50-56a et al.). A tenant shall have up to 90 business days to purchase the residential property after successfully bidding for the property.

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

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

- (a) death of the bidder or the bidder's spouse or child;
- (b) disability of the bidder or a member of the bidder's household;
- (c) divorce;
- (d) legal separation;
- (e) military deployment;
- (f) a change in employment of the bidder or a member of the bidder's household that results in a reduction in income or a need to move out-of-state;
- (g) a change in the number of permanent residents of the household due to: the birth or adoption of a child; or the permanent relocation of an elder into the household, as proved by a note from the doctor or social worker of the elder;
- (h) a need to move to care for a family member for a period of at least six months, as evidenced by: an address change; and a note from the family member in need of care, the doctor of the family member, or the social worker for the family member; or
- (i) foreclosure.

A bidder who finances the purchase of the residential property in good faith and intent and is thereafter required to vacate the property prior to residing in the property for 84 months pursuant to paragraph (8) of this subsection shall retain the deed to the property until the deed is transferred.

In the event of the death of a successful bidder, the property may be transferred to another owner in accordance with applicable laws governing estate, inheritance, and probate matters and the occupancy requirement shall be extinguished.

A fraudulent violation of subparagraphs (a) through (i) of this paragraph by a bidder shall be an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.).

f. If the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant of the foreclosed upon property fails to secure financing or assets sufficient to meet the terms offered by the foreclosing plaintiff or an alternative financial institution to purchase the residential property, the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant may request that a nonprofit community development corporation purchase the property. If the nonprofit community development corporation agrees in writing to purchase the property for the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant to reside in, the corporation shall:

- (1) allow the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant to reside at the property for a period of time as agreed upon in paragraph (2) of this subsection; and
- (2) negotiate with the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant on an affordable lease schedule that shall include an option to purchase the property from the corporation.

g. In the case of a foreclosed residential property, a nonprofit community development corporation, that has a written agreement with a foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant of the foreclosed upon property pursuant to subsection f. of this section, shall have a right of second refusal to purchase the property which is subordinate to the first right of refusal provided to a foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant pursuant to subsection d. of this section. If the foreclosed upon defendant, next of kin of the foreclosed upon defendant, or tenant decides not to participate in the sheriff's sale, enter into an agreement with the corporation pursuant to subsection f. of this section, or fails to secure financing or assets sufficient to meet the terms offered by the foreclosing plaintiff or an alternative financial institution to purchase the property, a nonprofit community development corporation shall have the right of second refusal to purchase the property in the amount approved for the final starting upset price on the day of the sheriff's sale at the time of the sale. Such right shall be deemed exercised if, prior to the opening of the bidding on the foreclosed property, the corporation pays a 3.5 percent deposit with the rest of the balance due within 90 business days by cash, certified or cashier's check, or by wire transfer, made payable to the sheriff of the county in which the sale is conducted or to the Special Master, if the sheriff cannot comply with the provisions of subparagraph (a) of paragraph (3) of subsection a. of this section. A nonprofit community development corporation shall only have a right of second refusal to purchase the property if it satisfies the requirements set forth in subsection h. of this section and fulfills the conditions set forth in subsection j. of this section.

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

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

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

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

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

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

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

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

(3) A nonprofit community development corporation that successfully bids on and completes the purchase of a residential property in a sheriff's sale and satisfies the conditions set forth in subsection f. of this section and fails to meet the requirements of this subsection shall be assessed a fine by a court of competent jurisdiction of up to \$100,000 for the first violation, and \$500,000 thereafter for each subsequent violation. If the appropriate sheriff's office, county administrative agent, or affordable housing administrative agent that is hired by the county determines based upon its oversight that there has been a violation of this subsection, the sheriff's office, county administrative agent, or affordable housing administrative agent shall bring an action in a court of competent jurisdiction so that the sheriff's office, county administrative agent, or affordable housing administrative agent can pursue enforcement of penalties for the violation. If the nonprofit community development corporation dissolves, the deed of the residential property shall be transferred to another nonprofit community development corporation who shall be bound by the requirements of this subsection.

k. In the case of a residential property for which the successful bidder is subject to the occupancy requirement pursuant to paragraphs (7) and (8) of subsection e. of this section, the appropriate sheriff's office, county administrative agent, or affordable housing administrative agent that is hired by the county shall oversee the occupancy of the property, which may include the mailing of a questionnaire to the successful bidder within 84 months following the sale or requiring the bidder to respond to questions and submit documentation evidencing

the bidder's continued residence at the property using the proof of residency documents provided pursuant to paragraph (5) of subsection e. of this section. If the appropriate sheriff's office, county administrative agent, or affordable housing administrative agent that is hired by the county determines based upon its oversight that there has been an occupancy violation, the sheriff's office, county administrative agent, or affordable housing administrative agent hired by the county shall refer the matter to the county counsel's office to bring an action in a court of competent jurisdiction so that the sheriff's office can pursue enforcement of penalties for the violation.

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

m. Any sheriff's sales conducted virtually shall be subject to the provisions of P.L.2023, c.255 (C.2A:50-56a et al.).

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

o. The provisions of P.L.2023, c.255 (C.2A:50-56a et al.) shall only apply to residential property as defined pursuant to subsection p. of this section.

p. As used in this section:

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

"Community Wealth Preservation Program" means the program created by P.L.2023, c.255 (C.2A:50-56a et al.) to assist prospective owner-occupants, nonprofit community development corporations, foreclosed upon defendants, next of kin of foreclosed upon defendants, and

tenants of foreclosed upon defendants in purchasing and financing foreclosed upon residential properties in sheriff's sales with an initial 3.5 percent deposit.

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

“Residential property” means real property located in this State which is utilized as a primary residence or dwelling, and shall not include any real property which is acquired for investment, commercial, or business purposes or real property containing more than four residential units.

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

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

Fees and mileage of sheriffs and other officers.

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

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

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

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

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

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

For returning every writ, \$2.00.

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

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

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

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

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

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

EXECUTION SALES

On a sale conducted in accordance with section 12 of P.L.1995, c.244 (C.2A:50-64), the sheriff shall be entitled to charge six percent on a sale by virtue of an execution; however, if a sale reverts to the foreclosing plaintiff, the fee to be charged on a sale by virtue of an execution shall be \$150.00.

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

On all sums not exceeding \$5,000.00, 10 percent; on all sums exceeding \$5,000.00 on such excess, five percent; the minimum fee to be charged for a sale by virtue of an execution, \$150.00. However, if a sale reverts to the foreclosing plaintiff, the fee to be charged on a sale by virtue of an execution shall be \$150.00.

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

When the execution is settled without actual sale and such settlement is made manifest to the officer, the officer shall receive one-half of the amount of percentage allowed herein in case of sale.

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

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

Posting property for sale, \$20.00.

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

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

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

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

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

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

C.2A:50-56a Creditor, foreclosure proceeding, agent, responsible, property, vacant, abandoned, immunity, liability.

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

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

4. This act shall take effect immediately.

Approved January 12, 2024.