

P.L. 2025, CHAPTER 326, *approved January 20,2026*
Senate, No. 4858 (*First Reprint*)

1 **AN ACT** concerning enhanced creditor protections for veterans,
2 service members, and military spouses and supplementing Title
3 2A of the New Jersey Statutes.
4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
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8 1. This act shall be known and may be cited as the “New Jersey
9 Veterans and Military Spouses Asset Protection Act.”
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11 2. The Legislature finds and declares that:
12 a. Veterans, active duty service members, and families of
13 veterans and service members make extraordinary sacrifices in
14 service to the State and this country.
15 b. Many veterans and veterans’ families face disproportionate
16 financial hardship, including exposure to predatory lending, fraud,
17 and the loss of hard-earned property due to creditor actions.
18 c. The State currently does not provide a homestead
19 exemption, leaving veterans and their families uniquely vulnerable
20 to home loss in the event of a bankruptcy.
21 d. Providing enhanced creditor protections, including a
22 homestead protection for up to two properties owned by veterans, is
23 necessary to preserve stability, reward service, and strengthen
24 communities.
25 e. This act is deemed remedial in nature, and therefore shall be
26 liberally construed to effectuate its purpose of safeguarding
27 veterans, service members, and military spouses.
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29 3. As used in this act:
30 “Military spouse” means the spouse or surviving spouse of a
31 veteran or service member.
32 “Primary residence” means the dwelling house, including the
33 land, where the veteran, service member, or military spouse resides.
34 “Secondary residence” means one additional dwelling house,
35 including the land, owned by the veteran, service member, or
36 military spouse, which may be used as a seasonal, family, or
37 retirement home.

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:
¹Senate SMV committee amendments adopted December 1, 2025.

1 “Service member” means a person currently serving in any
2 branch of the armed forces of the United States, including the
3 National Guard and reserve components.

4 “Veteran” means a person honorably discharged from any branch
5 of the armed forces of the United States, including the National
6 Guard and reserve components.

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8 4. a. Notwithstanding any other law to the contrary, the
9 primary and secondary residences of a veteran, service member, or
10 military spouse shall be exempt from levy, execution, attachment,
11 or forced sale for the payment of debts, judgments, or other claims
12 or creditors.

13 b. The exemption provided pursuant to subsection a. of this
14 section shall apply without a limitation of value for both the
15 primary and secondary residences, provided that ownership of both
16 properties is properly recorded with the county clerk.

17 c. Subsection a. of this section shall not apply to:

- 18 (1) mortgages or voluntary liens placed upon the property;
19 (2) taxes, assessments, or obligations owed to federal, State, or
20 local government entities; and
21 (3) judgments arising from willful misconduct, fraud, or
22 criminal activity of the debtor.

23 d. If the primary or secondary residence is held by a veteran or
24 service member jointly with a military spouse, the exemption shall
25 extend fully to both parties.

26 e. Upon the death of a veteran or service member, the
27 exemption for both residences shall continue for the surviving
28 military spouse, provided the surviving military spouse maintains
29 ownership of the residences.

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31 5. a. The retirement accounts, pensions, disability benefits, and
32 veterans’ benefits of veterans, service members, and military
33 spouses shall be exempt from creditor claims.

34 b. Motor vehicles owned by veterans, service members, and
35 military spouses shall be exempt from creditor claims up to a fair
36 market value of ¹[\$25,000 per vehicle] \$30,000¹, not to exceed
37 ¹[two vehicles] one vehicle¹ per household.

38 c. Subsection b. of this section shall not apply to:

- 39 (1) voluntary liens placed upon the motor vehicle;
40 (2) taxes, assessments, or obligations owed to federal, State, or
41 local government entities; and
42 (3) judgments arising from willful misconduct, fraud, or
43 criminal activity of the debtor.

44 d. As used in this section, “motor vehicle” shall mean the same
45 as defined pursuant to R.S.39:1-1.

1 6. a. Any attempted levy, execution, or sale in violation of this
2 act shall be void and unenforceable.

3 b. The protections under this act are in addition to any rights
4 provided under federal law, including the “Servicemembers Civil
5 Relief Act,” 50 U.S.C. s.3901 et seq.

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7 7. This act shall take effect immediately and shall be
8 retroactive to January 1, 2025, but shall only apply to debts incurred
9 or claims filed on or after that date. The act shall not impair the
10 validity of any final judgment entered prior to the effective date.

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15 Establishes “New Jersey Veterans and Military Spouses Asset
16 Protection Act.”