

CHAPTER 326

AN ACT concerning enhanced creditor protections for veterans, service members, and military spouses and supplementing Title 2A of the New Jersey Statutes.

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

C.2A:17-17.1 Short title.

1. This act shall be known and may be cited as the “New Jersey Veterans and Military Spouses Asset Protection Act.”

C.2A:17-17.2 Findings, declarations.

2. The Legislature finds and declares that:

a. Veterans, active duty service members, and families of veterans and service members make extraordinary sacrifices in service to the State and this country.

b. Many veterans and veterans’ families face disproportionate financial hardship, including exposure to predatory lending, fraud, and the loss of hard-earned property due to creditor actions.

c. The State currently does not provide a homestead exemption, leaving veterans and their families uniquely vulnerable to home loss in the event of a bankruptcy.

d. Providing enhanced creditor protections, including a homestead protection for up to two properties owned by veterans, is necessary to preserve stability, reward service, and strengthen communities.

e. This act is deemed remedial in nature, and therefore shall be liberally construed to effectuate its purpose of safeguarding veterans, service members, and military spouses.

C.2A:17-17.3 Definitions.

3. As used in this act:

“Military spouse” means the spouse or surviving spouse of a veteran or service member.

“Primary residence” means the dwelling house, including the land, where the veteran, service member, or military spouse resides.

“Secondary residence” means one additional dwelling house, including the land, owned by the veteran, service member, or military spouse, which may be used as a seasonal, family, or retirement home.

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

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

C.2A:17-17.4 Exemptions for primary, secondary residences of veterans, service members, military spouses.

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

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

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

(1) mortgages or voluntary liens placed upon the property;

(2) taxes, assessments, or obligations owed to federal, State, or local government entities; and

(3) judgments arising from willful misconduct, fraud, or criminal activity of the debtor.

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

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

C.2A:17-17.5 Benefits, retirement, pensions protections for veterans, service members, military spouses.

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

b. Motor vehicles owned by veterans, service members, and military spouses shall be exempt from creditor claims up to a fair market value of \$30,000, not to exceed one vehicle per household.

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

(1) voluntary liens placed upon the motor vehicle;

(2) taxes, assessments, or obligations owed to federal, State, or local government entities; and

(3) judgments arising from willful misconduct, fraud, or criminal activity of the debtor.

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

C.2A:17-17.6 Violations.

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

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

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

Approved January 20, 2026.