

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5289

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 5, 2026

The Assembly Housing Committee reports favorably and with committee amendments Assembly Bill No. 5289.

As amended and reported, this bill implements certain protections against deed theft. First, the bill permits a federal, State, or local government entity to move for a stay of any proceeding to recover possession of or quiet title to real property relating to a residential dwelling unit or property, if there is a pending good faith investigation into the theft or fraud in the title to, or the financing of, the premises that is the subject of the proceeding. Upon the agency's showing of the pendency of a good faith investigation, the court is required to issue a stay of the proceeding, including staying execution of a warrant of eviction or enforcement of a judgment so long as the investigation is ongoing. The bill stipulates that every six months, the court is required to schedule a status conference with the government agency and any other parties to the action to review any stay and to determine if the investigation is still continuing in good faith and is further required continue the stay of the proceeding until the government investigation is closed. A court is to review any supporting documents filed by the government entity in camera and filed under seal if deemed necessary by the government entity.

Under the bill, the court is required to stay all proceedings:

(1) to recover possession of or quiet title to real property relating to a residential dwelling unit or property, where a criminal complaint is filed against a party to the proceeding for deed theft, larceny, offering a false document for filing, criminal possession of stolen property or any other law asserting theft or fraud in obtaining title to property and the criminal complaint relates to the premises that is the subject of the proceeding. The stay is to remain in effect until resolution of the criminal action:

(2) to recover possession of or quiet title to real property relating to a residential dwelling unit or property, where a federal, State or local government entity has commenced a civil action or proceeding relating to the theft or fraud in the title to, or the financing of, the premises that is the subject of the proceeding; and

(3) relating to any landlord-tenant action for 90 days to allow a party to file a complaint in the appropriate forum when the court

makes a determination that there is a bona fide dispute between parties purporting to own the property that is the subject of the proceeding.

The bill does not apply to proceedings commenced against a person in possession who has entered the property or remains in possession by force or unlawful means and the person or the person's predecessor in interest was not in quiet possession for three years before the time of the forcible or unlawful entry or detainer.

Under the bill, where a person has been convicted of a criminal offense in connection with a deed theft or fraudulent transaction involving real property, the conviction creates a rebuttable presumption that the deed transfer was fraudulent. This applies where a grantee of a fraudulent deed is an entity that is beneficially owned by the convicted person.

The bill permits the Attorney General or any law enforcement agency, in cases where a defendant has been convicted after a trial or pled guilty to any crime that affects the title to, encumbrance of, or possession of, real property and where there is an instrument that is material to the encumbrance, transfer, or purchase of the real property, to file an action to quiet title or an action under the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq. in the Superior Court in the county where the property that is the subject of the instrument is located or the prosecution occurred, on behalf of the victim to void the instrument. The Superior Court is required to conduct a hearing and make findings essential to the determination whether to declare the instrument void. Upon the defendant's conviction or guilty plea, and after conducting a hearing pursuant to the bill, the court is required to make a determination, and if appropriate, order that the instrument be declared void or grant other appropriate relief to the victim.

COMMITTEE AMENDMENTS:

The committee amended the bill to clarify that the Attorney General or any law enforcement is permitted to file an action to quiet title or an action under the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq. on behalf of a victim of a fraudulent deed recording.