

P.L. 2026, CHAPTER 54, *approved July 22, 2026*
Assembly, No. 5169

1 AN ACT authorizing certain reimbursements to support pre-purchase
2 homebuyer counseling and amending P.L.2021, c.373.

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

6
7 1. Section 1 of P.L.2021, c.373 (C.2A:50-81) is amended to
8 read as follows:

9 1. The Legislature finds and declares that:

10 a. The Foreclosure Mediation Assistance Program administered
11 by the New Jersey Housing and Mortgage Finance Agency provides
12 trained foreclosure prevention and default mitigation counselors for
13 homeowner-borrowers participating in the Foreclosure Mediation
14 Program established by the New Jersey Judiciary.

15 b. As provided by section 7 of the "New Jersey Foreclosure
16 Mediation Act," P.L.2019, c.64 (C.2A:50-80), trained foreclosure
17 prevention and default mitigation counselors are paid using a
18 portion of funds paid by a foreclosure plaintiff in an action for
19 foreclosure.

20 c. During the public health emergency declared by the
21 Governor in Executive Order No. 103 of 2020 due to the
22 coronavirus disease 2019 (COVID-19) pandemic, the New Jersey
23 Housing and Mortgage Finance Agency expanded its Foreclosure
24 Mediation Assistance Program to provide other supports to New
25 Jersey residents including renter and pre-foreclosure counseling.

26 d. Since the expansion began, **【nearly 5,000】** thousands of
27 households have been served.

28 e. Sufficient funding exists for trained foreclosure prevention
29 and default mitigation counselors to continue to provide pre-
30 foreclosure counseling services **【although the public health**
31 **emergency declared by the Governor in Executive Order No. 103 of**
32 **2020 has concluded】** and pre-purchase homebuyer counseling.

33 f. In the event of a declaration of a state of emergency, persons
34 who have been trained to provide foreclosure counseling services
35 under the Foreclosure Mediation Assistance Program are well
36 positioned to help disaster victims prepare and submit applications
37 for State and federal disaster assistance.

38 g. Pre-purchase housing counseling reduces the incidence of
39 foreclosure among homebuyers and, therefore, may be used as an
40 early intervention to prevent the occurrence of mortgage
41 delinquency, mortgage default, and foreclosure. Professionals
42 providing foreclosure counseling services under the Foreclosure
43 Mediation Assistance Program possess the expertise required to also

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.

1 offer pre-purchase counseling and education to homebuyers,
2 making such proactive foreclosure prevention services a natural
3 extension of the Foreclosure Mediation Assistance Program.

4 (cf: P.L.2023, c.123, s.1)

5
6 2. Section 2 of P.L.2021, c.373 (C.2A:50-82) is amended to
7 read as follows:

8 2. a. There is established in the General Fund a separate, non-
9 lapsing, dedicated account administered by the Department of
10 Community Affairs to be known as the "New Jersey Foreclosure
11 Counseling Fund."

12 b. The funds within the New Jersey Foreclosure Counseling
13 Fund shall be paid to the New Jersey Housing and Mortgage
14 Finance Agency no later than the 15th day of each quarter to
15 reimburse trained foreclosure prevention and default mitigation
16 counselors for costs expended thereby in:

17 (1) providing pre-foreclosure counseling services in accordance
18 with guidance established by the New Jersey Housing and Mortgage
19 Finance Agency and for the agency's services required under
20 P.L.2019, c.64 (C.2A:50-74 et seq.); **[and]**

21 (2) providing, to homeowners and renters who have been
22 impacted by real property damage to, or destruction on, their
23 primary residence, as a result of an event that prompted the
24 Governor or the President of the United States to declare a state of
25 emergency or issue an emergency disaster declaration, assistance in
26 the preparation and submission of applications for housing related
27 expenses, including, but not limited to: (a) rental payments; (b)
28 mortgage payments; (c) insurance payments; (d) property tax
29 payments; and (e) repair, rehabilitation, or relocation assistance
30 payments that have been made available, by the State or federal
31 government, in response to the declared emergency or disaster; and

32 (3) providing pre-purchase homebuyer counseling services in
33 accordance with guidelines established by the New Jersey Housing
34 and Mortgage Finance Agency.

35 c. The New Jersey Housing and Mortgage Finance Agency
36 may assess up to five percent of New Jersey Foreclosure
37 Counseling Fund's annual allocation amounts for administrative
38 costs.

39 d. For purposes of this section, "trained foreclosure prevention
40 and default mitigation counselors" shall have the same definition as
41 in section 2 of the "New Jersey Foreclosure Mediation Act,"
42 P.L.2019, c.64 (C.2A:50-75).

43 (cf: P.L.2023, c.123, s.2)

44
45 3. This act shall take effect immediately.

STATEMENT

This bill authorizes the New Jersey Housing and Mortgage Finance Agency (HMFA) to provide certain reimbursements to support pre-purchase homebuyer counseling, by expanding the existing Foreclosure Mediation Assistance Program (program) to include early intervention prepurchase homebuyer counseling services.

Under current law, the program provides reimbursement to certain qualified counselors who assist homeowners by either: (1) providing mediation assistance through HUD certified housing counselors to qualified applicants of the New Jersey Judiciary's Foreclosure Mediation Program, or (2) providing pre-foreclosure counseling assistance, to homeowners experiencing default or difficulty meeting their monthly mortgage payments. The program operates through a network of participating housing counseling agencies serving in each county.

The bill authorizes HMFA to also provide reimbursements to qualified counselors to support pre-purchase homebuyer counseling. The provision of pre-purchase housing counseling helps to reduce the incidence of foreclosure among homebuyers and serves as an early intervention to prevent the occurrence of mortgage delinquency, mortgage default, and foreclosure.

Authorizes HMFA to make certain reimbursements to support pre-purchase homebuyer counseling under Foreclosure Mediation Assistance Program.