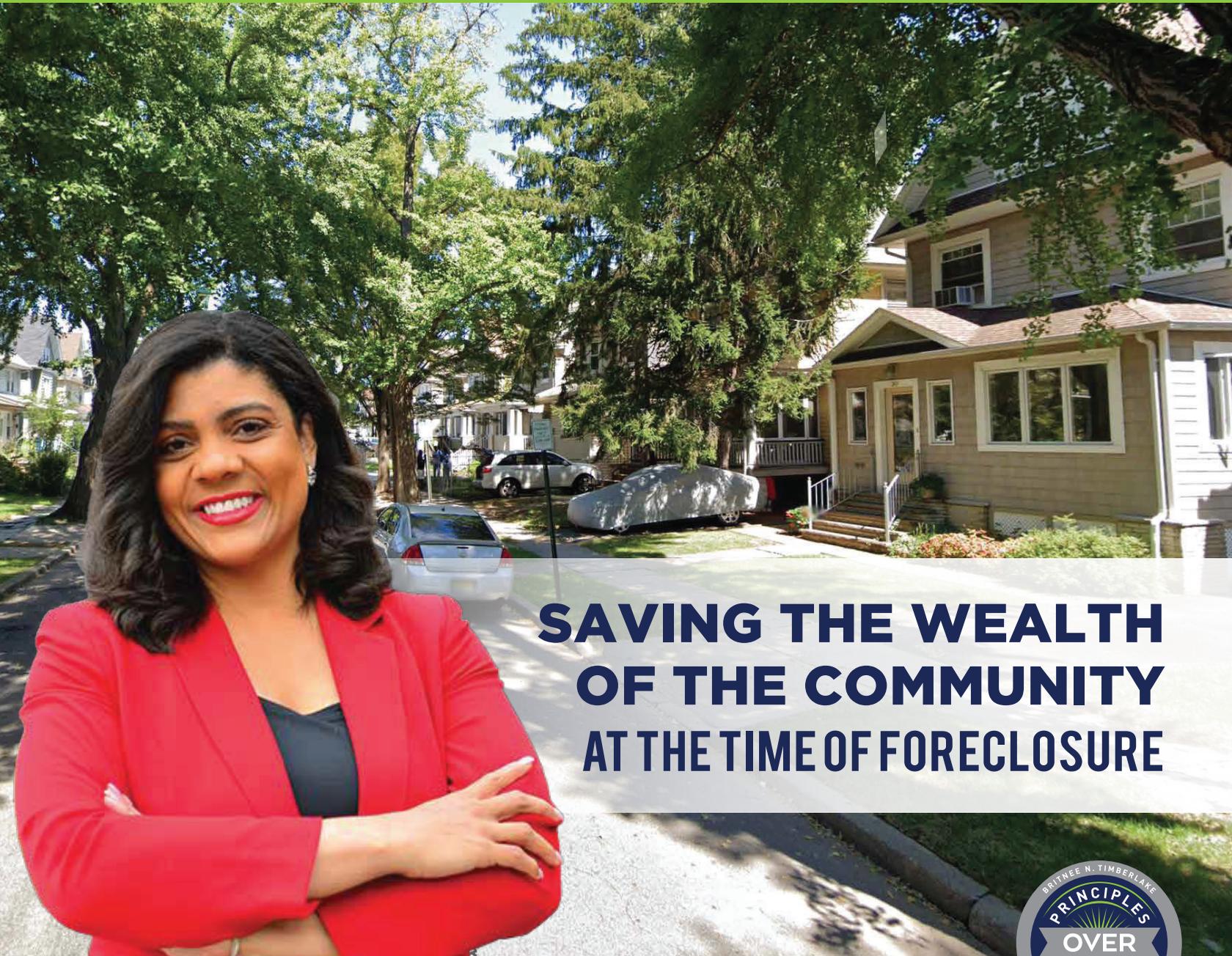


TIMBERLAKE'S

Community Wealth Preservation Program

Community Training Manual

First Edition 2024



**SAVING THE WEALTH
OF THE COMMUNITY
AT THE TIME OF FORECLOSURE**

Equity - Empowerment - Structural Change - Economic Justice



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Letter from Timberlake:

Dear Community Members,

I am honored to address you in this training manual for the Community Wealth Preservation Program, a groundbreaking initiative aimed at safeguarding generational wealth, creating affordable housing, and fostering a sense of community over profit.

The Community Wealth Preservation program marks the culmination of a legislative journey, serving as the first law I initiated after taking office in the Assembly in 2018. This endeavor seamlessly integrates with my past legislative efforts, including work at the county level in 2015, and spending over a decade as a solution-minded leader in affordable homeownership advocacy. Rooted in a profound professional understanding of housing and community issues, especially concerning foreclosures, this legislation reflects my commitment to addressing these challenges. Over the years, through helping individuals secure and maintain their homes and working with organizations like Communities United to challenge big banks and predatory lending, I have become acutely aware of the devastating impact of home loss and the erosion of generational wealth experienced by foreclosures. After years of tireless advocacy, alongside housing activists and dedicated community members, the bill materialized into law. Ironically, it was on my last day as Assemblywoman in 2023 that we achieved the milestone, with the legislation officially becoming law on January 12, 2024. The timing was poignant, marking the transition to my new role as the State Senator for the 34th Legislative District.

This law is not just a piece of legislation; it embodies my heart, mind, and commitment to empowering our community, fostering equity, and providing a genuine chance for prosperity. When the community uses the Community Wealth Preservation Program, it will be in the spirit of taking a major step to combat the residual and perpetual historical injustices of redlining, discrimination, and predatory lending that have plagued the real estate industry for centuries. During the drafting of this legislation and this training manual, New Jersey led the country in foreclosures, and holds the title for having the nation's widest racial wealth gap. I hope this law will help change those two startling statistics as it transforms the entire foreclosure system, building in fairness, equity, and ultimately can be used to combat poverty which worldwide, has no color.

I extend my sincere gratitude to the Housing and Community Development Network of NJ (Staci Berger, Sharon Barker, and Matthew Hersh), NJ Citizens Action (Phylis Salowe Kay, Dena Mottola Jaborska, and Beverly Brown Ruggia), Fair Share Housing (Adam Gordon, Eric Dobson, and James Williams), Urban Mayor's Association (Presidents Newark Mayor Ras J. Baraka and Plainfield Mayor Adrian O. Mapp), 34th Legislative District Mayors (East Orange Mayor Ted R. Green, Orange Mayor Dwayne D. Warren, and Belleville Mayor Michael Melham), People's Organization for Progress (Chairman Larry Hamm), Ironbound Community Corporation (Maria Irine Lopez and Drew Curtis), CWA Union (Christopher Estevez), Harold Simon the retired publisher of Shelter Force Magazine, Teacher's Unions, hundreds of Divine 9 members, St. Matthew AME, Interfaith Action Movement, Faith in NJ, various clergy and association, and my esteemed colleagues who stood by me for years during this crucial fight. Special recognition goes to Assemblymembers Shanique Speight, Verlina Reynolds-Jackson, Shavonda Sumter, Linda Carter, Benjie Wimberly, and Assembly Speaker Craig Coughlin. State Senators Andrew Zwicker, Shirley Turner, Nia Gill, Senate President Nicholas Scutari, and of course, Governor Phil Murphy. Thank you to the Sheriff's Officers who participated very closely in drafting this legislation through the Sheriff's Association (Michael Turkott). My staff, past and present, including Elijah Manns, Estina Baker, Geri Coles, Ira Lewis, Adrienne Wooten, Naiima Fauntleroy, Rachel Ford, and Lillian Torres. Honorable mention goes to my late and great mentor, Lt. Gov. Sheila Y. Oliver, who loved this bill, encouraged its progress, and whom I will forever be grateful to have known. It is also important to mention that this powerful economic justice law gained bi-partisan support.

In unity, empowerment, and service,

Britnee N. Timberlake

Senator, 34th Legislative District

ABOUT THIS MANUAL:



The Community Wealth Preservation Program is designed to provide homeowners, their next of kin, tenants, nonprofit community development corporations, and certain individuals with an opportunity to purchase a foreclosed property at a sheriff's sale using financing and a reduced down payment, among other incentives. This manual, written and released by the Office of Senator Britnee N. Timberlake, will guide eligible individuals

and nonprofit organizations through the process of purchasing a foreclosed property using the Community Wealth Preservation Program. When purchasing a property at a sheriff's sale using the program, you should bring this manual with you if any disputes arise at the time of sale. It is crucial to follow each step listed in the manual and cross reference it with the Community Wealth Preservation Program law to avoid being turned away or denied from using the program. Attached to this manual is the law for your reference.

This manual is organized by the category of the person purchasing the property. You must find which category you are eligible for and follow those instructions. After each instruction in this manual, there is a page and paragraph number backing up the information stated. This will help you know your rights at the time of sale should confusion arise. To help simplify the information and process, the manual has special sections providing notes, examples, and warnings. This manual is to be used for both information and as a training guide to the Community Wealth Preservation Program.

Legal Disclosure: *This manual is a good-faith effort and the best attempt to explain the law and your rights concerning the Community Wealth Preservation Program but does not replace the actual legislation or the counsel of an attorney. Neither Britnee N. Timberlake, the State of New Jersey, any person, or entity who participated in the writing or review of this manual is liable for any misunderstandings, misinterpretations, or information paraphrased from the legislation. The actual law is included in the manual for reference.*



WARNING

The Community Wealth Preservation Program (CWPP) is not for investors or property flippers. There are very steep fines for those who attempt to use the 3.5% perk for capital gain instead of for the intent of the Community Wealth Preservation Program. People, companies, or nonprofits who break this law and try to get around the system, break the residency requirements, or the affordable housing mandates, will be fined \$100,000 for the first offense and \$500,000 for any offense after the first (page 12 paragraph (8) and page 13 paragraph 8).



• **Please note:** Your lender has a right* to ensure the foreclosure proceedings are due to circumstances outside of the foreclosed upon defendant's control to prevent those not facing hardship from just simply paying less for their property. Any information provided by you, shall be provided at the request of the foreclosing plaintiff (the lender) prior to the date of sale for the foreclosing property and shall only apply to a foreclosed upon defendant or next of kin of the foreclosed upon defendant.

- Financial hardship;
- A physical or mental illness preventing the foreclosed upon defendant earning an income;
- Divorce or legal separation;
- Proof of death of the foreclosed upon defendant, or the foreclosed upon defendant's spouse, or child; or
- Predatory loan practices. (Page 11, Section (3)(e))

**Your lender does not have to request this information, but they do have a right to. Which is why some sheriff's departments may require you to bring an approval from your bank to use the CWPP. Requiring approval from the foreclosing bank is in dispute, but some sheriff departments have been told by their county counsels that this is a must. Until the dispute is settled, try to get approval from your lender to use the CWPP.

Important Definitions:

"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 law to assist foreclosed upon defendants, next of kin of foreclosed upon defendants, tenants of foreclosed upon defendants, prospective owner-occupants, and nonprofit community development corporations, 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.

"Foreclosed Upon Defendant" is the homeowner.

"Plaintiff" is the lender foreclosing on the homeowner.

Section 1:

If You are the Homeowner of a Home Being Foreclosed Upon



Section 1: If You are the Homeowner of a Home Being Foreclosed Upon

1.1 Introduction

- The Community Wealth Preservation Program provides the foreclosed upon defendant (homeowner) with an opportunity to purchase their foreclosed home on the date and location of the foreclosure sale.



1.2 Eligibility

- To be eligible for the program as a homeowner, you must be the defendant in a foreclosure proceeding. The program refers to the participating homeowner as the “foreclosed upon defendant.”



Please note: If your home is in foreclosure, you may not have good enough credit to secure financing. That is when you must move to have a next of kin step in to save the family wealth or use a nonprofit community development corporation discussed later in this manual.

- You must look at the County Sheriff’s website at least 4 weeks prior to the sale date for both your property and the “Upset Price.” Continue to check this site in case there have been any administrative changes or new announcements about your property.
- The “Upset Price” is what the starting bid price will likely be for your property on the date of the foreclosure sale. The upset price will be determined by the lender, who will provide the Sheriff’s office with notice of the price 4 weeks prior to the date of sale.



Please note: The upset price can change by up to 3% on the date of sale. If the upset price changes, you have the option to bid under the original upset price provided to the Sheriff’s office or under the final upset price announced on the date of sale, whichever is less.



For example: If you owe \$400,000 to your home. In the past \$400,000 was what the bank would list as the “Upset Price” but then on the day of the sale the bank might start the bid at \$200,000. This new law requires the lender to state the \$200,000 amount as the “Upset Price” but can add up to 3% to the \$200,000 amount on the day of the sale making the property start at \$206,000. You should be prepared to have 3.5% of the \$206,000 amount as your deposit, just to be sure. If on the day of the sale you were only prepared to have the 3.5% of the original “Upset Price” listed which was in this example \$200,000 and missed that the lender could add 3% on top, the law does on (page 3 paragraph (7) (b)) give you grace and time to make that deposit while you go through the process of financing as you technically only need 3.5% of the less of what was advertised on the sheriff site or what the Upset Price is on that day, which in this example would be the \$200,000.



Tip: Call the Sheriff office and ask them who to make the cashiers check out to.

- You must provide a 3.5 percent deposit in the form of a cashier’s check, money order, or wire transfer before the opening bid at the foreclosure sale. This deposit must be in the form of a cashiers check or a money order made out to whoever the foreclosure administrator is (likely the County Sheriff’s Department which you should call to ask who to make the money out to). A wire transfer is also an acceptable method of payment. (See page 3, section 1(a)(7)(b)).
- Get to the sheriff sale early. Look for the Sheriff in charge. Inform them that you are there to use the Community Wealth Preservation Program and that you are the homeowner. Be prepared to show proof that you are the owner by presenting them with the following documents:

- Preapproval from a lending institution for the amount of the original upset price listed in the notice or the final starting upset price listed for the sheriff’s sale of the property, whichever is less;
- Proof the foreclosing bank approved you to use the CWPP (a requirement in dispute but sometimes required),
- Valid photo identification that substantially conforms to the name and information contained on the financing pre-approval forms and home being sold.



Please Note: You are limited to submitting bids no higher than the amount for which the bidder has been pre-approved for financing;



Know your rights! Your lender cannot contact you more than 4 weeks prior to the date of sale to ask if you are going to use the Community Wealth Preservation Program. Do not answer this question if asked, and tell the lending institution that the question is illegal (See pages 2-3, section 1(a)(5)(b)). However, as stated in the preface of this manual, the lender DOES have the right to ask if you are facing foreclosure due to circumstances outside your own control. When asked, your answer must be for the following reasons:

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

- After providing the 3.5 percent deposit, you have up to 90 business days to complete the sale of the property, with no interest accruing on the balance for the first 60 business days. The rest of the balance must be paid by cash, certified or cashier’s check, or wire transfer, made payable to the Sheriff of the county in which the sale is conducted or to the Special Master. (See page 3, section 1(a)(7)(b))



Popular Question: What happens if you do not complete the sale of the property within 90 business days?

- If you fail to fulfill the balance within this 90 business day period, you will forfeit the deposit on the property and will 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 an inability to close the mortgage through no fault of your 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 you will be refunded the deposit on the property and will be responsible only for the payment of accrued interest. In addition, if you fail to fulfill the balance within this 90 business day period, you will be unable to use the Community Wealth Preservation Program in any subsequent foreclosure sale involving the same residential property and the same foreclosing plaintiff. (See page 9, section 1(c)(2)).

1.3 Financing the Purchase

- If you intend to finance the purchase, you must provide documentation that you have been pre-approved by a financial institution for financing the property. See the “How to Get Financing Section of this manual for tips.”
- You are limited in bidding to the amount for which you were pre-approved.
- **Knowing if the property is vacant and abandoned:**
- Prior to the sale of residential property, the foreclosing plaintiff will disclose, if known, whether the property is vacant, tenant-occupied, or owner-occupied. If the property is vacant, the foreclosing plaintiff will 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.

1.4 Right of First Refusal

- If you are participating in the program as a homeowner, you have the right of first refusal to purchase the property for the original upset price listed in the initial notice of sale for the property, or the final starting upset price listed for the property, whichever is less. This means you do not have to compete in the open bid with another interested party.



Please Note: You do not have to bid against investors if you are the homeowner, next of kin, or the tenant:

- The right of first refusal shall only be made available during the initial sale of the foreclosed upon property, unless the sale is delayed or postponed, upon which you will retain the right of first refusal for the rescheduled date of sale. The right will be deemed exercised if, prior to the opening of the bidding on the foreclosed property, a 3.5 percent deposit of the upset price is paid, with the rest of the balance due within 90 business days by cash, certified or cashier's check, or wire transfer, made payable to the sheriff of the county in which the sale is conducted or to the Special Master. (See page 9, section 1 (d).)
- The right of first refusal applies only to the initial sale of the property, unless the sale is delayed or postponed. (page 9, section (2) d.)
- To exercise the right of first refusal, you must pay a 3.5 percent deposit of the original upset price listed in initial notice for the sale of the property before the time of sale for the property, with the rest of the balance due within 90 business days. (See page 9, section 1 (d)(2).)

1.5 Asking a Nonprofit Community Development Corporation to Purchase the Property for You (Pages 13-16)

- If you as the homeowner in foreclosure fail to secure financing or assets sufficient to meet the terms offered by the foreclosing plaintiff or an alternative financial institution, you may request that a nonprofit community development corporation purchase the property for you. See the "List of Nonprofit Community Development Corporations" section of this manual. The nonprofit community development corporation will have a right of second refusal to purchase the property that is subordinate to your right of first refusal if you ask them to purchase the property on your behalf. (See page 13, section 1(f).)
- The nonprofit community development corporation must pay a 3.5 percent deposit of the original upset price listed in initial notice for the sale of the property before the time of sale for the property, with the rest of the balance due within 90 business days to exercise the right of second refusal.
- There must be a written agreement between you and the nonprofit corporation.
- If the nonprofit community development corporation agrees in writing to purchase the property for you, the corporation must:
 - (1) allow you to reside at the property for a period of time as agreed upon by you and the corporation; and
 - (2) negotiate on an affordable lease schedule that must include an option to purchase the property from the corporation. (See page 13, section 1(f)(2))



Section 2:

If You Are the Next of Kin

Section 2: If You Are the Next of Kin

2.1 Introduction

- The Community Wealth Preservation Program also provides the next of kin of foreclosed upon defendants with an opportunity to purchase the foreclosed property.
- This section will guide the next of kin through the process of participating in the program and purchasing a property.

2.2 Eligibility

- To be eligible for the program as next of kin, you must be the next of kin of the foreclosed upon defendant.

OUTSIDE INFORMATION: In New Jersey, the legal concept of the “next of kin” plays a crucial role in determining inheritance rights and decision-making authority. While commonly understood as a person’s closest blood relative, New Jersey statute N.J.S.A. 3B:1-1 provides a more detailed definition. The next of kin refers to an individual entitled to inherit a deceased person’s estate when no valid will exists. In such case, New Jersey’s intestate succession laws guide the distribution of assets among the closest relatives. The order of priority for next of kin in New Jersey begins with the spouse and children of the decedent. If none of these individuals exist, consideration may extend to the deceased’s parents, grandparents, siblings, or their descendants. Notably, cousins are explicitly excluded from the legal definition of next of kin.

While the Community Wealth Preservation Program uses the term “next of kin,” the law does not assume the homeowner is deceased. Under the program, the homeowner may be alive and can ask their next of kin to step forward on their behalf to use the program to buy the property. The next of kin under the program include all of the relatives under N.J.S.A. 3B:1-1, which include the following:

1. **Spouse or Domestic Partner**
2. **Descendants**
3. **Parents**
4. **Grandparents**
5. **Other Blood Relations**
6. To **prove kinship**, you will typically need to provide essential documents such as:
 - State-issued identification
 - Birth certificates
 - Marriage records
 - and a Death certificate if the homeowner is deceased.

Although the Community Wealth Preservation Program bill is silent on the requirements for Next of Kin, the State of New Jersey and probate courts use these documents to prove kinship. Contact your County Surrogate to ask how to prove a person as the next of kin, to secure official documentation as proof on the day of sale and bring these documents with you at the time of sale.

- You must provide a 3.5 percent deposit in the form of a cashier’s check, money order, or wire transfer before the opening bid at the foreclosure sale (See page 3, section 1(a)(7)(b))

- You have up to 90 business days to complete the sale of the property with no interest accruing on the balance for the first 60 business days.

2.3 Financing the Purchase

- If you intend to finance the purchase, you must provide documentation that you have been pre-approved by a financial institution for financing the property. See the “How to Get financing Section” of this manual for tips.



- You are limited in bidding to the amount for which you were pre-approved.



Popular Question: How do you know if the property is vacant and abandoned?

- Prior to the sale of residential property, the foreclosing plaintiff will disclose, if known, whether the property is vacant, tenant-occupied, or owner-occupied. If the property is vacant, the foreclosing plaintiff will 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.

2.4 Right of Second Refusal (First Refusal goes to the Homeowner/Defendant)

- If you are the next of kin for the foreclosed upon defendant, you have the right to purchase the property for the original upset price listed in the initial notice for the sale of the property, provided by the foreclosing plaintiff before the time of sale only if the Homeowner/Foreclosing Defendant is not exercising their rights or asks you to step in on their behalf.



Note: Not having to bid against investors if you are the homeowner, next of kin, or the tenant:

- The right of first refusal will only be made available during the initial sale of the foreclosed upon property, unless the sale is delayed or postponed, upon which you will retain the right of first refusal for the rescheduled date of sale. The right will be deemed exercised if, prior to the opening of the bidding on the foreclosed property, a 3.5 percent deposit of the upset price is paid, with the rest of the balance due within 90 business days by cash, certified or cashier’s check, or wire transfer, made payable to the sheriff of the county in which the sale is conducted or to the Special Master. (See page 9, section 1 (d))
- The right of first refusal applies only to the initial sale of the property, unless the sale is delayed or postponed. (See page 9, section 1 (d))
- To exercise the right of first refusal, you must pay a 3.5 percent deposit of the original upset price listed in initial notice of sale of the property before the time of sale for the property, with the rest of the balance due within 90 business days. (See page 9, section 1 (d))

2.5 Nonprofit Community Development Corporation Stepping in to Help

Asking a Nonprofit Community Development Corporation to Purchase the Property for You (Pages 13-16)

- If you as the next of kin in fail to secure financing or assets sufficient to meet the terms offered by the foreclosing plaintiff or an alternative financial institution, you may request that a nonprofit community development corporation purchase the property for you. See the “List of Nonprofit Community Development Corporations” section of this manual. The nonprofit community development corporation will have a right of second refusal to purchase the property that is subordinate to your right of first refusal if you ask them to purchase the property on your behalf. (See page 13, section 1(f))
- The nonprofit community development corporation must pay a 3.5 percent deposit of the original upset price listed in initial notice for the sale of the property before the time of sale for the property, with the rest of the balance due within 90 business days to exercise the right of second refusal.
- There must be a written agreement between you and the nonprofit corporation.
- If the nonprofit community development corporation agrees in writing to purchase the property for you, the corporation must:
 - (1) allow you to reside at the property for a period of time as agreed upon by you and the corporation; and
 - (2) negotiate on an affordable lease schedule that must include an option to purchase the property from the corporation. (See page 13, section 1(f)(2))



Note: What happens if you do not complete the sale of the property within 90 business days?

- If you fail to fulfill the balance within this 90 business day period, you will forfeit the deposit on the property and will 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 an inability to close the mortgage through no fault of your 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 you will be refunded the deposit on the property and will be responsible only for the payment of accrued interest. In addition, if you fail to fulfill the balance within this 90 business day period, you will be unable to use the Community Wealth Preservation Program in any subsequent foreclosure sale involving the same residential property and the same foreclosing plaintiff. (See page 9, section 1(c)(2)).

Section 3:

If You Are the Renter



Section 3: If You Are the Renter

3.1 Introduction

- The Community Wealth Preservation Program allows tenants of properties to purchase the property they live in that is being foreclosed upon.
- This section will guide renters through the process of participating in the program and purchasing a property.

3.2 Eligibility

- To be eligible for the program as a renter, you must be a tenant of the foreclosed upon defendant.

Notice so the tenants are aware of their home status:

- A notice must be mailed by the plaintiff (foreclosing party) to the contact address listed for the homeowner and to the actual property being foreclosed on with writing on the outside of the envelope regarding a foreclosure. This is important for tenants who may be paying their mortgage on time, but their landlord is in foreclosure and may not have told the tenant. If the landlord or their next of kin does not use the Community Wealth Preservation Program to save their home, the tenant can. (Page 2, Paragraph (4)).
- A tenant will be allowed to purchase the foreclosed property if the foreclosed upon defendant or next of kin decides not to participate in the sheriff's sale or program.
- You must provide a 3.5 percent deposit in the form of cash, certified or cashier's check, or wire transfer before the opening bid at the foreclosure sale.
- You have up to 90 business days to complete the sale of the property with no interest accruing on the balance for the first 60 business days.
- You will be required to provide at least two forms of identification at the Sheriff sale as proof that you have resided at the property for at least a year before purchasing the property. This includes but is not limited to:
 - (a) a driver's license issued by the New Jersey Motor Vehicle Commission with the address matching the property location;
 - (1) a utility bill for proof of address;
 - (2) a checking or savings account statement from a bank or credit union issued at least 60 days prior to submitting the statements as identification for proof of address;
 - (3) a statement, receipt, or letter of correspondence from a federal, State, or local government office delivered at least one year prior to submitting the statement, receipt, or letter of correspondence as identification for proof of address; or
 - (4) any other form of identification that the sheriff deems valid for proof of address.
 - (5) PROVIDE PROOF OF RENT PAID (BRING ALL RENT RECEIPTS)

- In addition to the documentation, you will also be required to present documentation at the Sheriff's sale confirming that you are not behind on rent payments from the date the homeowner received the notice of foreclosure from the foreclosing plaintiff.

3.3 Financing the Purchase

- If you intend to finance the purchase, you must provide documentation that you have been pre-approved by a financial institution for financing the property.
- You are limited in bidding to the amount for which you were pre-approved.



Popular Question: How do you know if the property is vacant and abandoned?

- Prior to the sale of residential property, the foreclosing plaintiff will disclose, if known, whether the property is vacant, tenant-occupied, or owner-occupied. If the property is vacant, the foreclosing plaintiff will 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.

3.4 Right of Refusal

- If you are a tenant, and the homeowner, or next of kin to the homeowner has not come forward to use this law, then you have the next right to purchase the property for the original upset price listed in the initial notice of sale for the property or the final starting upset price listed, whichever is less.



Note: Not having to bid against investors if you are the homeowner, next of kin, or the tenant:

- The right of first refusal will only be made available during the initial sale of the foreclosed upon property, unless the sale is delayed or postponed, upon which you will retain the right of first refusal for the rescheduled date of sale. The right will be deemed exercised if, prior to the opening of the bidding on the foreclosed property, a 3.5 percent deposit of the upset price is paid, with the rest of the balance due within 90 business days by cash, certified or cashier's check, or wire transfer, made payable to the sheriff of the county in which the sale is conducted or to the Special Master. (See page 9, section 1 (d))
- The right of first refusal applies only to the initial sale of the property, unless the sale is delayed or postponed. (See page 9, section 1(d))
- To exercise the right of first refusal, you must pay a 3.5 percent deposit of the original upset price listed in the initial notice of sale for the property before the time of sale for the } property, with the rest of the balance due within 90 business days. (See page 9, section 1(d))3.5 Homebuyer Education and Counseling
- If a renter intends to finance the purchase of the foreclosed property, the renter is required to receive a homebuyer education and counseling course through the United States Department of Housing and Urban Development (HUD).

- The renter is required to complete eight hours of homebuyer education and counseling through a United States Department of Housing and Urban Development (HUD) certified housing counseling agency and is required to present a certificate of completion or proof of enrollment in that program to the sheriff at the time of sale.
- See a list of HUD organizations later in this manual to help guide you in finding a class. Remember you do not have to have the course completed to participate, but you must be enrolled. However, to complete the purchase of the property, you must complete the course within the 90 business days.



Note: What happens if you do not complete the sale of the property within 90 business days?

If you fail to fulfill the balance within this 90 business day period, you will forfeit the deposit on the property and will 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 an inability to close the mortgage through no fault of your 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 you will be refunded the deposit on the property and will be responsible only for the payment of accrued interest. In addition, if you fail to fulfill the balance within this 90 business day period, you will be unable to use the Community Wealth Preservation Program in any subsequent foreclosure sale involving the same residential property and the same foreclosing plaintiff. (See page 9, section 1(c)(2))

3.6 Ask a Nonprofit Community Development Corporation to Buy the Home for You (Pages 13-16)

- If you as the tenant in foreclosure fail to secure financing or assets sufficient to meet the terms offered by the foreclosing plaintiff or an alternative financial institution, you may request that a nonprofit community development corporation purchase the property for you. See the “List of Non profit Community Development Corporations” section of this manual. The nonprofit community development corporation will have a right of second refusal to purchase the property that is subordinate to your right of first refusal if you ask them to purchase the property on your behalf. (See page 13, section 1(f))
- The nonprofit community development corporation must pay a 3.5 percent deposit of the original upset price listed in initial notice for the sale of the property before the time of sale for the property, with the rest of the balance due within 90 business days to exercise the right of second refusal.
- There must be a written agreement between you and the nonprofit corporation.
- 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 must::
 - (1) allow you to reside at the property for a period of time as agreed upon by you and the corporation; and
 - (2) negotiate on an affordable lease schedule that must include an option to purchase the property from the corporation. (See page 13, section 1(f)(2))

Section 4:

If You are the Nonprofit Community Development Corporation (CDC)



Section 4: If You are the Nonprofit Community Development Corporation (CDC)



Warning: The CWPP is NOT to be used for investment purposes. Do not start a nonprofit community development corporation to try and use the CWPP to flip residential properties. As explained in the summary below, a property that a nonprofit purchases under the program will be subject to many affordable housing requirements, sales restrictions, and deed restrictions. A nonprofit that fails to meet the requirements of the CWPP will be fined up to \$100,000 for a first violation and \$500,000 for each subsequent violation.

4.1 Introduction

- This section will guide nonprofit community development corporations through the process of participating in the Community Wealth Preservation Program and purchasing a foreclosed residential property.
- A nonprofit under the CWPP can either purchase the foreclosed property of a foreclosed upon defendant (homeowner), next of kin, or tenant on their behalf or the nonprofit can bid on the property itself if the homeowner, next of kin, or tenant does not participate in the CWPP.

4.2 Rules for Nonprofit Community Development Corporations Purchasing a Foreclosed Residential Property for the Homeowner, Next of Kin, or Tenant

- If a homeowner, next of kin, or a tenant fails to secure financing or assets sufficient to meet the terms offered by the foreclosing plaintiff or an alternative financial institution, they may request that a nonprofit community development corporation purchase the foreclosed property on their behalf. A nonprofit that purchases the foreclosed property on behalf of the homeowner, next-of-kin, or tenant will have a right of second refusal to purchase the property that is subordinate to the homeowner, next-of-kin, or tenant's right of first refusal. A nonprofit must have an agreement in writing with the homeowner, next-of-kin, or tenant to purchase the property on their behalf. (page 14, subsection g.)
- To exercise the right of second refusal, a nonprofit must pay a 3.5 percent deposit of the original upset price listed in the initial notice of sale for the property or the final starting upset price listed, whichever is less, before the time of sale for the property, with the rest of the balance due within 90 business days.
- If a nonprofit agrees in writing to purchase the property for the homeowner, next of kin, or tenant to reside in, the corporation shall:
 - (1) allow the homeowner, next of kin, or tenant to reside at the property for a period of time as agreed upon by both sides; and
 - (2) negotiate with the homeowner, next of kin, or tenant on an affordable lease schedule that will include an option to purchase the property from the corporation. (pages 13-14, f. (2))
- A nonprofit has up to 90 business days to complete the sale of the property with no interest accruing on the balance for the first 60 business days.

4.3 Rules for Nonprofit Community Development Corporations must follow if purchasing a foreclosed property outside of the homeowner, next of kin, or tenant (pages 13-16)

- If a homeowner, next-of-kin, or tenant decides not to participate in the sheriff's sale, enter into an agreement with a nonprofit community development corporation, or fails to secure financing or assets sufficient to meet the terms offered by the foreclosing plaintiff or alternative financial institution to purchase the property, a nonprofit community development corporation will have the right of second refusal to purchase the property in an amount approved for the final starting upset price on the day of the sheriff's sale at the time of the sale. To exercise the right of second refusal under this situation, a nonprofit must pay a 3.5 percent deposit of the final starting upset price prior to the opening of the bidding of the property. If a nonprofit successful bids on the property, the nonprofit will have up to 90 business days to complete the sale of the property, with no interest accruing on the balance for the first 60 business days. (page 14 subsections g. through h.)
- First come first serve: If more than one nonprofit seeks to exercise the right of second refusal, the right shall belong in the first instance to a nonprofit that purchases a foreclosed property on behalf of a homeowner, next-of-kin, or tenant. If no such nonprofit community development corporation exists, priority shall belong to the nonprofit that first registers its participation with the sheriff or Special Master on the date of the foreclosure sale. (page 15, subsection i(1).)
- In registering its participation in the sale, the nonprofit shall provide the most recent form 1023 filing provided to the United States Internal Revenue Service, stating the corporation's mission of community revitalization and the creation or preservation of affordable housing through the restoration of vacant and abandoned property. The nonprofit should be an IRS approved nonprofit corporation, not just a state registered nonprofit. (pages 14-15 subsection (h)(2))

A nonprofit community development corporation that successfully bids on the purchase of a property using the CWPP will be subject to fines if the nonprofit does not:

(1) 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

(2) if the property is occupied at the time of sale by either a tenant or homeowner with whom the nonprofit does not already have an agreement, the nonprofit will negotiate in good faith with the homeowner or tenant on an affordable lease schedule that will allow the homeowner or tenant to continue to occupy the property should the homeowner or tenant desire to do so. If after 120 business days the homeowner or tenant does not respond to the requests of the nonprofit to negotiate, the nonprofit may bring an action in a court of competent jurisdiction to remove the homeowner or tenant. If removal has successfully occurred, the nonprofit must either 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.

- A nonprofit that successfully bids on the purchase of a residential property must ensure that, in any future sale of the property, the property will 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. (pages 15-16 subsection (j)(2).)

4.4 Financing the Purchase

- If a nonprofit intends to finance the purchase, they must provide documentation that they have been pre-approved by a financial institution for financing the property.
- A nonprofit is limited in bidding to the amount for which the nonprofit is pre-approved.
- **Knowing if the property is vacant and abandoned**
- Prior to the sale of residential property, the foreclosing plaintiff will disclose, if known, whether the property is vacant, tenant-occupied, or owner-occupied. If the property is vacant, the foreclosing plaintiff will 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.



Section 5:

If You Are Committed to Living in the Home for At Least 7 Years

Section 5: If You Are Committed to Living in the Home for At Least 7 Years

5.1 Introduction

- The Community Wealth Preservation Program allows individuals committed to living in a foreclosed property as their primary residence for at least 7 years the opportunity to purchase the property using the Community Wealth Preservation Program.
- This section will guide individuals through the process of participating in the program and purchasing a property.

5.2 Eligibility

- Please note that your eligibility for the Community Wealth Preservation Program is conditioned upon your commitment to reside in the property as your primary residence for at least 7 years. If you are not committing to reside in the property for 7 years, you will need to be prepared to provide a 20% down payment of the property's purchase price, with the rest of the balance due in 30 days.
- To be eligible for the program as an individual, you must be committed to living in the property for at least 7 years, and you must provide a 3.5 percent deposit immediately upon conclusion of the foreclosure sale.
- You have up to 90 business days to complete the sale of the property with no interest accruing on the balance for the first 60 business days.
- You must bring a certificate of completion or proof of enrollment in a United States Department of Housing and Urban Development (HUD)-certified, eight hour homebuyer education and counseling course. These courses are offered through a HUD- certified housing counseling agency. (Pages 10-11, subsection e. (2)). Please see a list of HUD organizations later in this manual to help guide you in finding a class. Remember, you do not have to complete the course to participate, but you must be enrolled.

5.3 Bidding

- You cannot bid higher than the amount for which you have been pre-approved for financing, if you intend to finance the purchase of the property.
- Please note: When you buy your property through the Community Wealth Preservation Program and commit to reside in the property, a deed restriction will be applied to your property. If you attempt to sell the property before the 7 year commitment ends, you will not be able to, unless you meet certain exceptions. These exceptions are as follows:
 - (1) death of the bidder or the bidder's spouse or child;
 - (2) disability of the bidder or a member of the bidder's household;
 - (3) divorce;

- (4) legal separation;
 - (5) military deployment;
 - (6) 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;
 - (7) 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;
 - (8) 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
 - (9) foreclosure.
- If you are found to be selling the property or residing in another location outside of the exceptions mentioned above, you will be assessed a fine of up to \$100,000 for the first violation, and \$500,000 thereafter for each subsequent violation.

5.3 Enforcement of the 7-year Occupancy Rule

- If you successfully purchase the property, from time to time you will be required to provide identification as proof that the property is your primary residence.
 - Occupancy Requirements: the appropriate sheriff's office, county administrative agent, or affordable housing administrative agent that is hired by the county will oversee the occupancy of the property, which may include the mailing of a questionnaire to you within 84 months following the sale or requiring you to respond to questions and submit documentation evidencing your continued residence at the property using the following proof of residency documents:
 - (1) a driver's license issued by the New Jersey Motor Vehicle Commission;
 - (2) a utility bill;
 - (3) a checking or savings account statement from a bank or credit union issued at least 60 days prior to submitting the statements as identification;
 - (4) a statement, receipt, or letter of correspondence from a federal, State, or local government office delivered at least one year prior to submitting the statement, receipt, or letter of correspondence as identification; or
 - (5) any other form of identification that the sheriff deems valid.

- If you intend to finance the purchase, you must provide documentation that you have been pre-approved by a financial institution for financing the property.
- You are limited to bidding up the amount for which you were pre-approved. (the people committed to residing in the home for up to seven years):

Popular Question: How to know if the property is vacant and abandoned?

- Prior to the sale of residential property, the foreclosing plaintiff will disclose, if known, whether the property is vacant, tenant-occupied, or owner-occupied. If the property is vacant, the foreclosing plaintiff will 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.

5.4 Homebuyer Education and Counseling

- As a potential bidder committed to living in the property for 7 years and financing the purchase, you are required to receive a homebuyer education and counseling course through the United States Department of Housing and Urban Development (HUD) before bidding on the property.
 - A prospective bidder is required to complete eight hours of homebuyer education and counseling through a United States Department of Housing and Urban Development (HUD) certified housing counseling agency, and is required to present a certificate of completion or proof of enrollment in that program to the sheriff.



Section 6:

If You are the Sheriff Office

Section 6: If You are the Sheriff Office

DOCUMENTS SUBMITTED BY FORECLOSED UPON DEFENDANT/NEXT OF KIN/TENANT:

- Valid Photo Identification
- Proof of Mortgage Pre-approval Letter in the Amount of the Upset Price Listed in Notice or the Final Starting Upset price
- Certificate of Completion/Proof of Enrollment of 8 hour homebuyer education course through HUD certified housing agency (tenants and 7 year occupancy committed people only)
- Proof of residency for at least one year, and two valid forms of identification with matching property address, proof that tenant is not in arrears (lease, plus two of the following: driver's license or state identification, utility bill, bank account statement, correspondence from a government agency sent to same address) (tenants only)
- Proof of Kinship (birth certificate, proof from homeowner, surrogate office docs, etc.)

DOCUMENTS SUBMITTED BY BIDDERS PROMISING TO RESIDE AT PROPERTY FOR 7 YEARS:

- Valid Photo Identification
- Mortgage Pre-approval Letter in the Amount of AT LEAST the Upset Price Listed in Notice (MUST BE PRE-APPROVED FOR WINNING BID AMOUNT)
- Certificate of Completion/Proof of Enrollment of 8 hour homebuyer education course through HUD certified housing agency

DOCUMENTS SUBMITTED BY NON-PROFIT COMMUNITY DEVELOPMENT CORPORATIONS

- Written Agreement between Non-Profit Community Development Corporation and Foreclosed Upon Defendant/Next of Kin/Tenant (Please note that CDCs have the right of second refusal and can purchase the property without a written agreement if the defendant, next of kin, or tenant decides not to participate in the Sheriff's sale, decides not to enter into a written agreement, or fails to secure financing or assets sufficient to meet the lender's terms)
- IRS determination letter proving the entity to be an approved nonprofit entity.
- IRS Form 1023 with Organization Document Showing Corporation's Mission Includes Community Revitalization and the Creation or Preservation of Affordable Housing Through the Restoration of Vacant and Abandoned Property. The bill does not say a 1023 EZ, if an EZ form is to be accepted, it should be at the discretion of the Sheriff department to determine if the organization has the intention to provide affordable housing, or if they just filed the nonprofit to use the CWPP to commit fraud.
- Not mandatory but suggested: A signed affidavit confirming the nonprofit understands the affordable housing restrictions, rules, and fines associated if the CWPP is used or abused.

Charges and Fees

- The sheriff conducting the sale will be entitled to charge six percent on sales made by virtue of an execution. If the property reverts back to the foreclosing plaintiff, the sheriff will only be entitled to charge a flat fee of \$150.

Violators of the CWPP:

- First fine starts at \$100,000 and the second fine starts at \$500,000. A portion of these fines goes to the Sheriff's Department.

Suggested Procedural Policies and Procedures for Sheriff's Offices to Vet Through Their County Counsels:

1. Requirement for IRS Determination Letter: Mandate that nonprofits provide proof of approved nonprofit status via an IRS Determination Letter to accompany the original 1023 form. Filing a 1023 form alone should not be viewed as proof of a nonprofit's existence unless it is accompanied by the IRS determination letter. The bill should not need to specify this requirement as it is a reasonable request; a nonprofit is not legitimate until recognized by the IRS.

2. Nonprofit Status Verification: Prohibit any nonprofit from purchasing property if their status has not been approved or has been revoked by the IRS. Verify nonprofit status using the IRS Tax Exempt Organization Search tool: [IRS Tax Exempt Organization Search] (<https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>).

3. Clarification on 1023 Forms: Ensure that the original 1023 form is checked to confirm that the nonprofit's purpose is to provide affordable housing. The 1023 EZ form should not be considered equivalent to a 1023 unless it meets specific criteria. The 1023 EZ form is only allowed if the organization expects to make under a certain amount of money in the first few years. Real estate transactions often exceed this threshold, which is a red flag, especially if the 1023 EZ form was recently filed and lacks an IRS determination letter. Accept a 1023 EZ form only if the nonprofit can prove it was not used solely for qualifying for this bill and the nonprofit has a track record of neighborhood revitalization.

4. Hiring an Administrative Agent for Affordable Housing Compliance: The bill allows the Sheriff's Office to manage these checks themselves, delegate to county counsel, or hire an administrative agent. It is advisable to hire an administrative agent specializing in affordable housing compliance. The agent should verify that the nonprofit accurately purchased the property, rented or sold it to income-eligible individuals, and filed the required 30-year affordable housing deed restriction. Additionally, the agent should ensure compliance with the requirement that nonprofits contact current occupants and assist them in staying in their homes. If a violation is found, the agent should initiate the process leading to the \$100,000 and \$500,000 fines.

5. Maintain a Shared List of Nonprofit Violators: Maintain a list of nonprofits found to be in violation or using false documents, accessible to all sheriff's offices. Avoid transactions with nonprofits identified as fraudulent.

6. Enforcement of Penalties: Impose fines starting at \$100,000 for first offenses and \$500,000 for second offenses against non-compliant entities.

Section 7:

How to Get Financing

How to Get Financing



TIP: Contact the NJ State Housing and Mortgage Finance Agency to see if they will offer you a loan to purchase using the Community Wealth Preservation Program. However, credit unions and other financial institutions you have a relationship with are also a great place to start.

Obtaining financing to buy a home typically involves several steps:

1. **Check Your Credit Score:** Lenders use your credit score to determine your creditworthiness. A higher credit score usually leads to better loan terms. Review your credit report and address any errors before applying for a loan.
2. **Determine Your Budget:** Calculate how much you can afford to spend on a home. Consider factors such as your income, existing debts, and other financial obligations.
3. **Save for a Down Payment:** While some loan programs offer options with low down payments, having a larger down payment can lower your monthly mortgage payments and improve your chances of loan approval.
4. **Get Pre-Approved:** Before house hunting, get pre-approved for a mortgage. This involves submitting financial documents to a lender, who will then determine the loan amount you qualify for.

If shopping for a home outside of the sheriff's sale foreclosure process, only submit the pre-approval amount for how much you want to offer on the property. For example, you may be approved for \$500,000 but want to buy a house that is listed for \$400,000. Do not show the seller you can qualify for \$500,000 and instead have your lender prepare your pre-approval letter for \$400,000, or \$410,000. This is to ensure the seller will not counter because they can see what you can pay.

If you are buying a property at the sheriff's sale using the Community Wealth Preservation Program, you will want to come to the sale with the highest pre-approval possible. This is because with the Community Wealth Preservation Program, you are only able to bid up-to the amount you are pre-approved for.

5. **Research Loan Options:** Explore different types of mortgages, such as conventional loans, FHA loans, VA loans, and USDA loans. Each has its own eligibility requirements, down payment options, and terms.
6. **Compare Lenders:** Shop around and compare loan offers from different lenders, including banks, credit unions, and online lenders. Consider factors like interest rates, fees, and customer service.
7. **Gather Documentation:** Prepare necessary documents such as pay stubs, tax returns, bank statements, and employment verification.
8. **Apply for the Loan:** Submit a loan application to your chosen lender. Be prepared to provide additional documentation and answer any questions during the underwriting process.
9. **Underwriting Process:** The lender will review your financial information, assess your creditworthiness, and determine if you qualify for the loan.



10. **Receive Loan Approval:** If approved, you'll receive a loan commitment letter outlining the terms and conditions of the loan.
11. **Close on the Home:** Work with your lender, real estate agent, and other parties involved to finalize the purchase of the home. This typically involves signing legal documents and paying closing costs.
12. **Move In:** Once the closing process is complete, you can move into your new home. It's essential to stay informed throughout the homebuying process and work closely with your lender to ensure a smooth experience. Additionally, consider consulting with a financial advisor or housing counselor for personalized guidance.

Section 8:

List of HUD Certified Housing Counseling Agencies in NJ.



New Jersey HUD-Approved Housing Counseling Agencies

apps.hud.gov/offices/hsg/sfh/hcc/hcs_print.cfm?&webListAction=search&searchstate=NJ



National HUD-Approved Housing Counseling Agencies

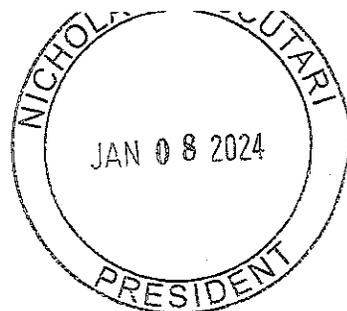
Nationally HUD-Approved Housing Counseling Agencies directory | HUD.gov / U.S. Department of Housing and Urban Development (HUD)



Section 9:

The Actual Community Wealth Preservation Program Law





[Third Reprint]

ASSEMBLY, No. 5664

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED JUNE 26, 2023

Sponsored by:

Assemblywoman **BRITNEE N. TIMBERLAKE**

District 34 (Essex and Passaic)

Assemblywoman **SHANIQUE SPEIGHT**

District 29 (Essex)

Assemblywoman **SHAVONDA E. SUMTER**

District 35 (Bergen and Passaic)

Assemblyman **BENJIE E. WIMBERLY**

District 35 (Bergen and Passaic)

Senator **ANDREW ZWICKER**

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Senator **SHIRLEY K. TURNER**

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblywomen Piperno, Reynolds-Jackson, Jasey, Carter, McKnight, Tucker, Assemblymen Atkins, Stanley, Sampson, Assemblywoman Yustein, Assemblyman McKeon, Assemblywoman Lopez, Assemblymen Conaway and Spearman

SYNOPSIS

Establishes "Community Wealth Preservation Program"; expands access for certain buyers to purchase property from sheriff's sales.

CURRENT VERSION OF TEXT

As amended by the General Assembly on December 21, 2023.

(Sponsorship Updated As Of: 1/8/2024)

A TRUE COPY
TAHESHA WAY

SECRETARY OF STATE



A5664 [3R] TIMBERLAKE, SPEIGHT

2

1 AN ACT concerning sheriff's sales and amending and supplementing P.L.1995, c.244, and amending N.J.S.22A:4-8. JAN 8 2024

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

6
7 1. Section 12 of P.L.1995, c.244 (C.2A:50-64) is amended to
8 read as follows:

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

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

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

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

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

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

28 (4) That notice for the sale of a foreclosed upon residential
29 property be mailed to the primary address of the foreclosed upon
30 defendant and to the address of the foreclosed upon residential
31 property. Notice of the sale shall be mailed in an envelope that
32 plainly states on its exterior that the envelope is a notice for the sale
33 of the foreclosed upon residential property¹. The language used on
34 the exterior of the envelope shall comply with the federal ²Fair
35 Debt Collection Practices Act, ²15 U.S.C. s.1692 et seq¹.

36 (5) (a) That notice of the ¹**[final]**¹ upset price for the sale of a
37 foreclosed upon residential property be provided at least four weeks
38 prior to the sheriff's sale and posted on the Internet website of the
39 sheriff's office and on any other medium used to provide notice of
40 the sheriff's sale. The ¹**[final]**¹ upset price provided ¹in the notice
41 shall be a good faith estimate of the upset price¹ on the day of the
42 sheriff's sale ¹**[shall not differ from the final upset price provided**
43 in the notice]; however, the upset price on the day of the sheriff's

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:

¹Assembly ACE committee amendments adopted December 11, 2023.

²Assembly AAP committee amendments adopted December 18, 2023.

³Assembly floor amendments adopted December 21, 2023.



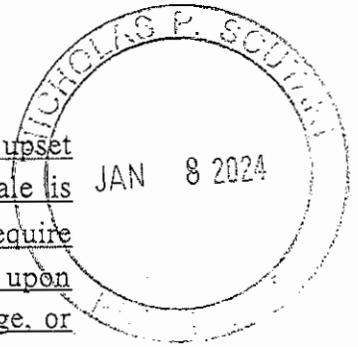
1 sale shall not increase by more than three percent from the upset
2 price originally provided in the notice. If the sheriff's sale is
3 delayed or postponed,³ or if circumstances occur that require
4 unforeseen advances to protect the borrower or the foreclosed upon
5 residential property in the event of vandalism, weather damage, or
6 other emergency property preservation needs,³ the upset price may
7 be adjusted to reflect³ these costs in³ the latest price¹; and

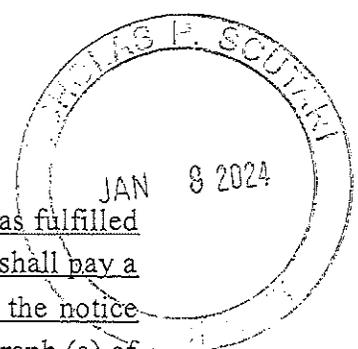
8 (b) Prior to providing the¹ [final]¹ upset price to the sheriff's
9 office pursuant to subparagraph (a) of this paragraph, the
10 foreclosing plaintiff or agent of the foreclosing plaintiff shall be
11 prohibited from contacting the foreclosed upon defendant, next of
12 kin of the foreclosed upon defendant, or a nonprofit community
13 development corporation to inquire whether the foreclosed upon
14 defendant, next of kin, or nonprofit community development
15 corporation intends to participate in the sheriff's sale for the
16 foreclosed upon property or exercise the provisions of P.L. , c.
17 (C.) (pending before the Legislature as this bill)¹. If, after
18 providing notice of the upset price pursuant to subsection a. of this
19 section, the foreclosing plaintiff is informed that the foreclosed
20 upon defendant, next of kin, or nonprofit community development
21 corporation intends to participate in the sheriff's sale or exercise the
22 provisions of P.L. , c. (C.) (pending before the Legislature
23 as this bill), the foreclosing plaintiff shall not attempt to delay or
24 postpone the sheriff's sale by reason of the foreclosed upon
25 defendant, next of kin, or nonprofit community development
26 corporation's intention to participate in the sheriff's sale or exercise
27 the provisions of P.L. , c. (C.) (pending before the
28 Legislature as this bill)^{1 3}. Any notice required pursuant to this
29 paragraph shall comply with the federal "Fair Debt Collection
30 Practices Act." 15 U.S.C. s.1692 et seq³.

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

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

43 (b) In the case of residential property in which the successful
44 bidder is the foreclosed upon defendant, next of kin, tenant,
45 nonprofit community development corporation, or a bidder who
46 shall occupy the property as the bidder's primary residence for a





1 period of at least 84 months, the successful bidder who has fulfilled
 2 the requirements set forth in subsection e. of this section shall pay a
 3 3.5 percent deposit ¹ of the original upset price listed in the notice
 4 provided by the foreclosing plaintiff pursuant to subparagraph (a) of
 5 paragraph (5) of this subsection, ¹ ³ or the final starting upset price
 6 listed for the sale of the property, whichever is less, ³ with the rest
 7 of the balance due within 90 business days by cash, certified or
 8 cashier's check, or by wire transfer, made payable to the sheriff of
 9 the county in which the sale is conducted or to the Special Master,
 10 if the sheriff cannot comply with the provisions of subparagraph (a)
 11 of paragraph (3) of this subsection, immediately upon the
 12 conclusion of the foreclosure sale.

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

27 ~~I(5)~~ I(8) It is permissible, upon consent of the sheriff
 28 conducting the sheriff's sale, that it shall not be necessary for an
 29 attorney or representative of the person who initiated the
 30 foreclosure to be present physically at the sheriff's sale to make a
 31 bid. A letter containing bidding instructions may be sent to the
 32 sheriff in lieu of an appearance.

33 ~~I(6)~~ I(9) That each sheriff's office shall use, and the plaintiff's
 34 attorney shall prepare and submit to the sheriff's office, a deed
 35 which shall be in substantially the following form:

36 THIS INDENTURE,
 37 made this (date) day of (month),
 38 (year). Between (name), Sheriff of the County
 39 of (name) in the State of New Jersey, party of the first
 40 part and (name(s)) party of the
 41 second part, witnesseth.

42 WHEREAS, on the (date) day of
 43 (month), (year), a certain Writ of Execution was issued out of
 44 the Superior Court of New Jersey, Chancery Division-
 45 (name) County, Docket No. directed and delivered to the





1 Sheriff of the said County of (name) and which said
2 Writ is in the words or to the effect following that is to say:

3 THE STATE OF NEW JERSEY to the Sheriff of the County of
4 (name),

5 Greeting:

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

10
11
12

13 and the following named parties are the DEFENDANTS:

14
15
16

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

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

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

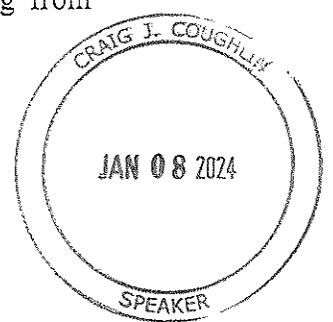
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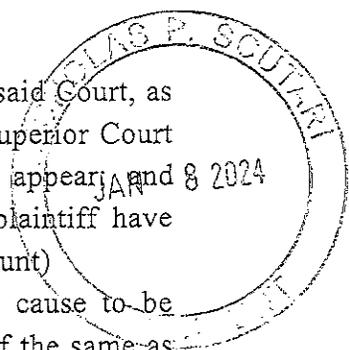
35 the sum of \$ (amount) being the principal, interest and
36 advances secured by a certain mortgage dated (date,
37 month, year) and given by (name) together with
38 lawful interest from

39
40
41

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

44 AND for that purpose a Writ of Execution should issue, directed to
45 the Sheriff of the County of (name) commanding him to
46 make sale as aforesaid; and that the surplus money arising from





1 such sale, if any there be, should be brought into our said Court, as
2 by the judgment remaining as of record in our said Superior Court
3 of New Jersey, at Trenton, doth and more fully appear, and
4 whereas, the costs and Attorney's fees of the said plaintiff have
5 been duly taxed at the following sum: \$ (amount)

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

12 And that you have the surplus money, if any there be, before our
13 said Superior Court of New Jersey, aforesaid at Trenton, within 30
14 days after pursuant to R.4:59-1(a), to abide the further Order of the
15 said Court, according to judgment aforesaid, and you are to make
16 return at the time and place aforesaid, by certificate under your
17 hand, of the manner in which you have executed this our Writ,
18 together with this Writ, and if no sale, this Writ shall be returnable
19 within **[12]** 24 months.

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

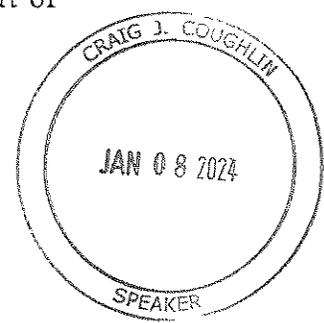
23 /s/ (Clerk)
24 Superior Court of New Jersey

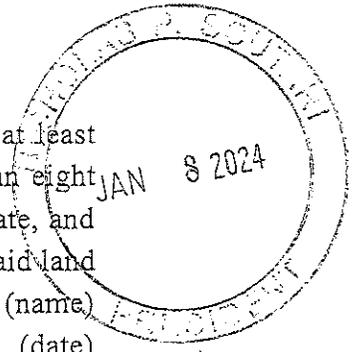
25 /s/.....
26 Attorney for Plaintiff

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

31 AND WHEREAS I, the said (name), as such
32 Sheriff as aforesaid did in due form of law, before making such sale
33 give notice of the time **[and]**, place, and ¹**[final]**¹ upset price of
34 such sale by public advertisement signed by myself, and set up in
35 my office in the (name) Building in
36 (name) County, being the County in which said real estate is situate
37 and also set up at the premises to be sold at least three weeks next
38 before the time appointed for such sale.

39 I also caused such notice to be published four times in two
40 newspapers designated by me and printed and published in the said
41 County, the County wherein the real estate sold is situate, the same
42 being designated for the publication by the Laws of this State, and
43 circulating in the neighborhood of said real estate, at least once a
44 week during four consecutive calendar weeks. One of such
45 newspapers, (name of newspaper) is a newspaper
46 with circulation in (name of town), the County seat of





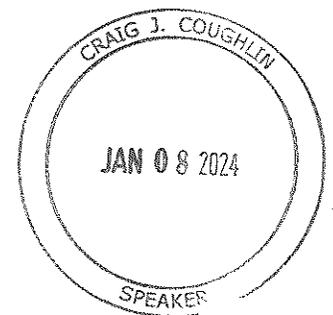
1 said (name) County. The first publication was at least
2 twenty-one days prior and the last publication not more than eight
3 days prior to the time appointed for the sale of such real estate, and
4 by virtue of the said Writ of Execution, I did offer for sale said land
5 and premises at public vendue at the County (name)
6 Building in (name of town) on the (date)
7 day of, (month) (year) at the hour of
8 (time) in the (a.m. or p.m.).

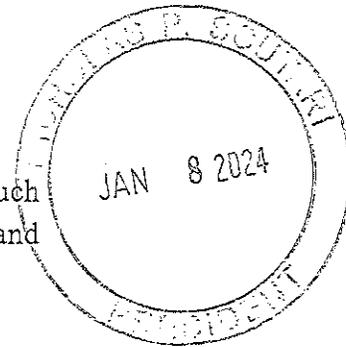
9 WHEREUPON the said party of the second part bidding
10 therefore for the same, the sum of \$..... (amount) and no
11 other person bidding as much I did then and there openly and
12 publicly in due form of law between the hours of (time)
13 and (time) in the (a.m. or p.m.), strike off and sell
14 tracts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

22
23
24

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

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





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

4 Signed, sealed and delivered
5 in the presence of
6
7 Attorney at Law of New Jersey(name) Sheriff
8 STATE OF NEW JERSEY) SS.
9(county)

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

13
14
15

16 was by me sold by virtue of a good and subsisting execution (or as
17 the case may be) as is therein recited, that the money ordered to be
18 made has not been to my knowledge or belief paid or satisfied, that
19 the time and place of the same of said real estate were by me duly
20 advertised as required by law, and that the same was cried off and
21 sold to a bona fide purchaser for the best price that could be
22 obtained and the true consideration for this conveyance as set forth
23 in the deed is \$ (amount).

24
25 (name), Sheriff

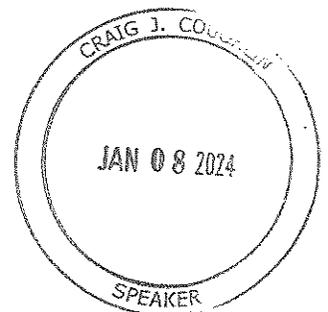
26 Sworn before me, (name), on this (date) day of
27 (month), (year), and I having examined the deed
28 above mentioned do approve the same and order it to be recorded as
29 a good and sufficient conveyance of the real estate therein
30 described.

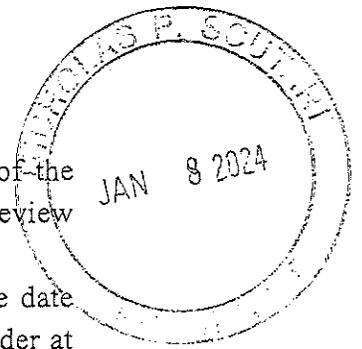
31 STATE OF NEW JERSEY) ss.
32 (Name) County) Attorney or Notary Public

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

41
42 Attorney or Notary Public

43 b. At the conclusion of the sheriff's sale, the attorney for the
44 plaintiff shall prepare and deliver to the sheriff a deed which shall
45 be in the form provided pursuant to paragraph [(6)] (9) of
46 subsection a. of this section for the sheriff's execution and the deed



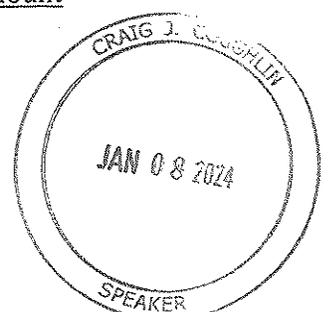


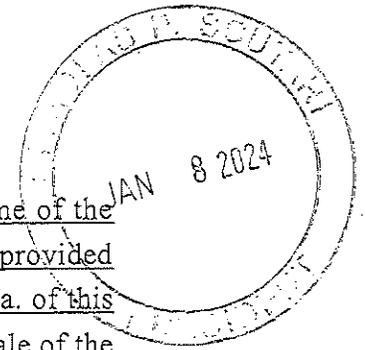
1 shall be delivered to the sheriff within 10 days of the date of the
2 sale. The sheriff shall be entitled to the authorized fee, as a review
3 fee, even if the plaintiff's attorney prepares the deed.

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

12 (2) Notwithstanding the provisions of paragraph (1) of this
13 subsection, in the case of residential property in which the
14 successful bidder is permitted to pay a 3.5 percent deposit upon the
15 conclusion of the foreclosure sale pursuant to ¹[the provisions of
16 this section] subparagraph (b) of paragraph (7) of subsection a. of
17 this section¹, no interest shall accrue on the balance of the sale of
18 the property until 60 business days have passed following the date
19 of the sale, and thereafter, the successful bidder shall have 30
20 business days to fulfill the balance. If the successful bidder fails to
21 fulfill the balance within this 90 business day period, the bidder
22 shall forfeit the deposit on the property and shall be responsible for
23 the payment of accrued interest incurred as a result of the sale being
24 void, unless the failure to fulfill the balance is due to the bidder's
25 inability to close a mortgage through no fault of their own, which
26 includes, but is not limited to, the appraised value of the property
27 being less than the purchase value of the property or the financial
28 institution denying financing, in which case the bidder shall be
29 refunded the deposit on the property and shall be responsible only
30 for the payment of accrued interest. In addition, if a successful
31 bidder fails to fulfill the balance within this 90 business day period,
32 any subsequent foreclosure sale involving the same residential
33 property and the same foreclosing plaintiff and foreclosed upon
34 defendant shall be subject to the procedures set forth in
35 subparagraph (a) of paragraph ³[(5)] (7)³ of subsection a. of this
36 section and there shall be no right of first or second refusal pursuant
37 to subsections d. and g. of this section.

38 d. In the case of a foreclosed residential property where the
39 foreclosed upon defendant is an individual and not a corporate
40 entity, if the foreclosed upon defendant, next of kin of the
41 foreclosed upon defendant, or tenant of the foreclosed upon
42 property has secured financing or assets sufficient to meet terms
43 offered by the foreclosing plaintiff or an alternative financial
44 institution to purchase the property, the foreclosed upon defendant,
45 next of kin of the foreclosed upon defendant, or tenant shall have
46 the right of first refusal to purchase the property ¹[in the amount





1 approved for the opening bid of the sheriff's sale at the time of the
 2 sale] for the original upset price listed in the notice provided
 3 pursuant to subparagraph a. of paragraph (5) of subsection a. of this
 4 section^{1 3}, or at the final starting upset price listed for the sale of the
 5 property, whichever is less³. The right of first refusal shall only be
 6 made available to the foreclosed upon defendant, next of kin of the
 7 foreclosed upon defendant, or tenant for the initial sale of the
 8 foreclosed upon property, unless the sale is delayed¹ [.] or¹
 9 postponed ¹[or concludes with the foreclosing plaintiff purchasing
 10 the property]¹, upon which the foreclosed upon defendant, next of
 11 kin of the foreclosed upon defendant, or tenant shall ¹[receive a]
 12 retain the¹ right of first refusal ¹[for the subsequent sale of the
 13 foreclosed upon property] for the rescheduled date of sale¹. Such
 14 right shall be deemed exercised if, prior to the opening of the
 15 bidding on the foreclosed property, the foreclosed upon defendant,
 16 next of kin of the foreclosed upon defendant, or tenant pays a 3.5
 17 percent deposit ³[¹pursuant to the provisions of this section¹]³ with
 18 the rest of the balance due within 90 business days ³, pursuant to the
 19 provisions of this section.³ by cash, certified or cashier's check, or
 20 by wire transfer, made payable to the sheriff of the county in which
 21 the sale is conducted or to the Special Master, if the sheriff cannot
 22 comply with the provisions of subparagraph (a) of paragraph (3) of
 23 subsection a. of this section.

24 e. A bidder² [.]² who is permitted to pay a 3.5 percent deposit
 25 upon the conclusion of the foreclosure sale pursuant to the
 26 provisions of this section² [.]² may purchase residential property at
 27 a sheriff's sale by way of financing if the bidder provides
 28 documentation that the bidder has been pre-approved by a financial
 29 institution regulated by the Department of Banking and Insurance or
 30 by a federal banking agency, as defined by section 3 of the "New
 31 Jersey Residential Mortgage Lending Act," P.L.2009, c.53
 32 (C.17:11C-53), for financing a residential property.

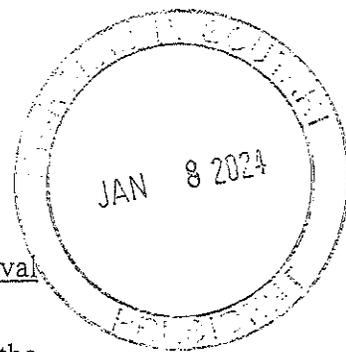
33 (1) A bidder who is permitted to pay a 3.5 percent deposit upon
 34 the conclusion of the foreclosure sale pursuant to the provisions of
 35 this section and intends to finance the purchase of residential
 36 property at a sale shall be:

37 (a) ³preapproved for the amount of the original upset price listed
 38 in the notice provided pursuant to subparagraph a. of paragraph (5)
 39 of subsection a. of this section or the final starting upset price listed
 40 for the sheriff's sale of the property, whichever is less;

41 (b)³ limited to submitting bids no higher than the amount for
 42 which the bidder has been pre-approved for financing; and

43 ³[(b)] (c)³ if the bidder is an individual, required to present
 44 current and valid photo identification that substantially conforms to





1 the name and information contained on the financing pre-approval
2 forms obtained by the bidder.

3 (2) ³[To be] A tenant or³ a successful bidder ³[who is not the
4 plaintiff, and]³ who intends to occupy the property ³for 84 months,³
5 and ³[finance] finances³ the purchase of the property ³[, the
6 bidder] and pays a 3.5 percent deposit pursuant to the provisions of
7 this section,³ shall have received eight hours of homebuyer
8 education and counseling through a United States Department of
9 Housing and Urban Development (HUD) certified housing
10 counseling agency, and shall present a certificate of completion or
11 proof of enrollment in that program to the sheriff.

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

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

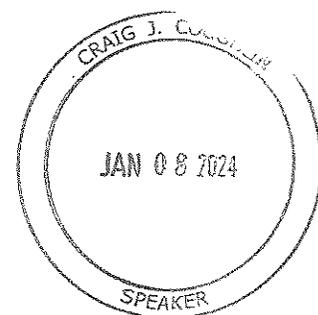
27 Any information provided under this paragraph shall be provided
28 at the request of the foreclosing plaintiff prior to the date of sale for
29 the foreclosing property and shall not conflict with subparagraph
30 (b) of paragraph (5) of subsection a. of this section.

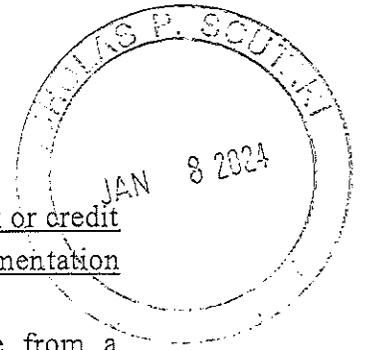
31 (4) If a bidder intending to finance the purchase of the
32 residential property is a current tenant, the tenant shall provide
33 documentation confirming:

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

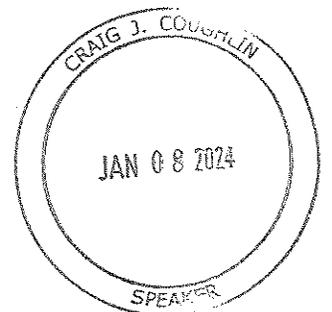
39 (5) To prove the residency requirement pursuant to
40 subparagraph (a) of paragraph (4) of this subsection, the tenant shall
41 also be required to present at least two current and valid forms of
42 identification that substantially conform to the name and property
43 address contained in the tenant's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

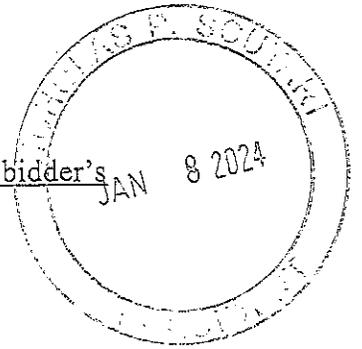
- 45 (a) a driver's license issued by the New Jersey Motor Vehicle
46 Commission;





- 1 (b) a utility bill;
2 (c) a checking or savings account statement from a bank or credit
3 union issued at least 60 days prior to submitting documentation
4 required pursuant to this subparagraph;
5 (d) a statement, receipt, or letter of correspondence from a
6 federal, State, or local government office delivered at least one year
7 prior to submitting documentation required pursuant to this
8 subparagraph; or
9 (e) any other form of identification that the sheriff deems valid
10 pursuant to this paragraph.
11 (6) A tenant shall be allowed to purchase residential property
12 pursuant to this subsection if a foreclosed upon defendant or next of
13 kin of the foreclosed upon defendant decides not to participate in
14 the sheriff's sale ³ [, enter into an agreement with a nonprofit
15 community development corporation pursuant to subsection f. of
16 this section.] ³ or ³ [fail to secure financing or assets sufficient to
17 meet the terms offered by the foreclosing plaintiff or an alternative
18 financial institution to purchase the property] exercise the
19 provisions of P.L. , c. (C.) (pending before the Legislature
20 as this bill) ³. A tenant shall have up to ²[45] 90 business ² days to
21 purchase the residential property after successfully bidding for the
22 property.
23 (7) With exception to the foreclosed upon defendant, the
24 foreclosed upon defendant's next of kin, or a nonprofit community
25 development corporation, an individual bidder purchasing
26 residential property in a sheriff's sale pursuant to this subsection
27 shall be required ¹ [by the financial institution] ¹ to occupy the
28 property as the bidder's primary residence for a fixed term of at
29 least 84 months after taking possession. The deed for the property
30 shall clearly state that the property may not be sold for 84 months
31 from the date of the sheriff's sale, except pursuant to the exceptions
32 permitting a successful bidder to vacate the property prior to
33 residing in the property for 84 months in paragraph (8) of this
34 subsection.
35 (8) With exception to the foreclosed upon defendant, the
36 foreclosed upon defendant's next of kin, or a nonprofit community
37 development corporation, a successful individual bidder who
38 finances the purchase pursuant to this subsection and does not
39 occupy the residence for a period of at least 84 months shall be
40 assessed a fine by a court of competent jurisdiction up to \$100,000
41 for the first violation, and \$500,000 thereafter for each subsequent
42 violation. These penalties shall not be assessed against a bidder
43 who finances the purchase with good faith and intent and is
44 thereafter required to vacate the property prior to residing in the
45 property for 84 months due to:
46 (a) death of the bidder or the bidder's spouse or child;





1 (b) disability of the bidder or a member of the bidder's
2 household;

3 (c) divorce;

4 (d) legal separation;

5 (e) military deployment;

6 (f) a change in employment of the bidder or a member of the
7 bidder's household that results in a reduction in income or a need to
8 move out-of-state;

9 (g) a change in the number of permanent residents of the
10 household due to: the birth or adoption of a child; or the permanent
11 relocation of an elder into the household, as proved by a note from
12 the doctor or social worker of the elder;

13 (h) a need to move to care for a family member for a period of
14 at least six months, as evidenced by: an address change; and a note
15 from the family member in need of care, the doctor of the family
16 member, or the social worker for the family member; or

17 (i) foreclosure.

18 ³A bidder who finances the purchase of the residential property
19 in good faith and intent and is thereafter required to vacate the
20 property prior to residing in the property for 84 months pursuant to
21 paragraph (8) of this subsection shall retain the deed to the property
22 until the deed is transferred.³

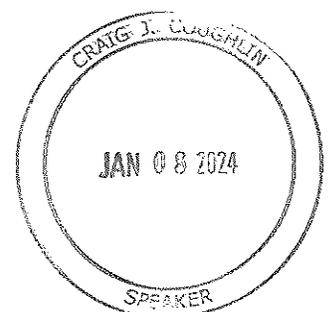
23 In the event of the death of a successful bidder, the property may
24 be transferred to another owner in accordance with applicable laws
25 governing estate, inheritance, and probate matters and the
26 occupancy requirement shall be extinguished.

27 ³A fraudulent violation of subparagraphs (a) through (i) of this
28 paragraph by a bidder shall be an unlawful practice and a violation
29 of P.L.1960, c.39 (C.56:8-1 et seq.).³

30 f. If the foreclosed upon defendant, next of kin of the
31 foreclosed upon defendant, or tenant of the foreclosed upon
32 property fails to secure financing or assets sufficient to meet the
33 terms offered by the foreclosing plaintiff or an alternative financial
34 institution to purchase the residential property, the foreclosed upon
35 defendant, next of kin of the foreclosed upon defendant, or tenant
36 may request that a nonprofit community development corporation
37 purchase the property. If the nonprofit community development
38 corporation agrees in writing to purchase the property ²[from] for²
39 the foreclosed upon defendant, next of kin of the foreclosed upon
40 defendant, or tenant ³to reside in³, the corporation shall:

41 (1) allow the foreclosed upon defendant, next of kin of the
42 foreclosed upon defendant, or tenant to reside at the property for a
43 period of time as agreed upon in paragraph (2) of this subsection;
44 and

45 (2) negotiate with the foreclosed upon defendant, next of kin of
46 the foreclosed upon defendant, or tenant on an affordable lease

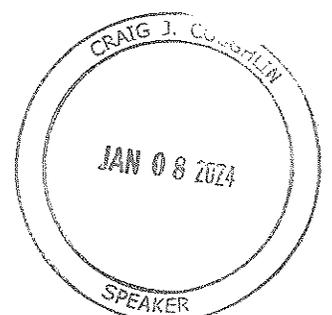
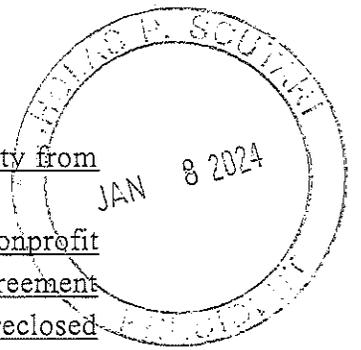


1 schedule that shall include an option to purchase the property from
2 the corporation.

3 g. In the case of a foreclosed residential property, a nonprofit
4 community development corporation, that has a written agreement
5 with a foreclosed upon defendant, next of kin of the foreclosed
6 upon defendant, or tenant of the foreclosed upon property pursuant
7 to subsection f. of this section, shall have a right of second refusal
8 to purchase the property which is subordinate to the first right of
9 refusal provided to a foreclosed upon defendant, next of kin of the
10 foreclosed upon defendant, or tenant pursuant to subsection d. of
11 this section. If the foreclosed upon defendant, next of kin of the
12 foreclosed upon defendant, or tenant decides not to participate in
13 the sheriff's sale, enter into an agreement with the corporation
14 pursuant to subsection f. of this section, or ²[fail] fails² to secure
15 financing or assets sufficient to meet the terms offered by the
16 foreclosing plaintiff or an alternative financial institution to
17 purchase the property, a nonprofit community development
18 corporation shall have the right of second refusal to purchase the
19 property in the amount approved for the ³[opening bid] final
20 starting upset price on the day³ of the sheriff's sale at the time of
21 the sale. Such right shall be deemed exercised if, prior to the
22 opening of the bidding on the foreclosed property, the corporation
23 pays a 3.5 percent deposit with the rest of the balance due within 90
24 business days by cash, certified or cashier's check, or by wire
25 transfer, made payable to the sheriff of the county in which the sale
26 is conducted or to the Special Master, if the sheriff cannot comply
27 with the provisions of subparagraph (a) of paragraph (3) of
28 subsection a. of this section. A nonprofit community development
29 corporation shall only have a right of second refusal to purchase the
30 property if it satisfies the requirements set forth in subsection h. of
31 this section and fulfills the conditions set forth in subsection j. of
32 this section.

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

42 (2) A nonprofit community development corporation intending
43 to bid in a sheriff's sale for residential property and pay a 3.5
44 percent deposit as permitted by this section shall, on the date of the
45 sheriff's sale, register its participation with the sheriff or Special
46 Master if the sheriff cannot comply with the provisions of



1 paragraph (3) of subsection a. of this section. In registering/its
2 participation in the sale, a corporation shall provide the most recent
3 form 1023 filing provided to the United States Internal Revenue
4 Service, stating the corporation's mission includes community
5 revitalization and the creation or preservation of affordable housing
6 through the restoration of vacant and abandoned property.

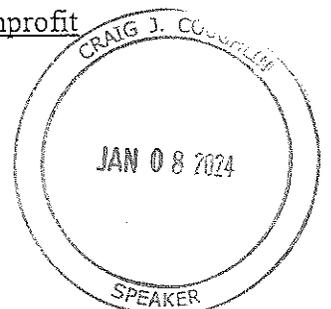
7 i. (1) If more than one nonprofit community development
8 corporation seeks to exercise the right of second refusal, the right
9 shall belong in the first instance to a nonprofit community
10 development corporation that fulfills the conditions set forth in
11 subsection f. of this section. If no such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

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

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

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

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

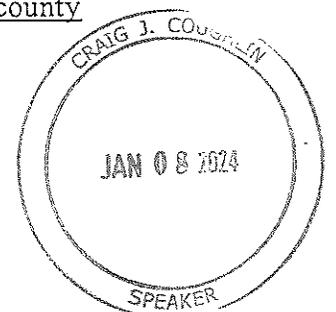
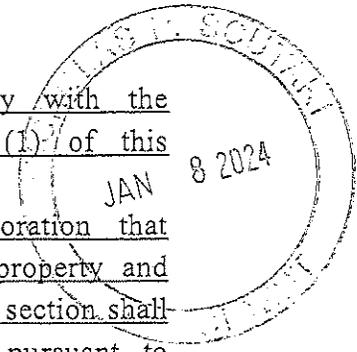


1 community development corporation shall comply with the
2 requirements of subparagraph (a) of paragraph (1) of this
3 subsection.

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

16 (3) A nonprofit community development corporation that
17 successfully bids on and completes the purchase of a residential
18 property in a sheriff's sale and satisfies the conditions set forth in
19 subsection f. of this section and fails to meet the requirements of
20 this subsection shall be assessed a fine by a court of competent
21 jurisdiction of up to \$100,000 for the first violation, and \$500,000
22 thereafter for each subsequent violation. If the 'appropriate'
23 sheriff's office¹, county administrative agent, or affordable housing
24 administrative agent that is hired by the county¹ determines based
25 upon its oversight that there has been a violation of this subsection,
26 the sheriff's office¹, county administrative agent, or affordable
27 housing administrative agent¹ shall bring an action in a court of
28 competent jurisdiction so that the sheriff's office¹, county
29 administrative agent, or affordable housing administrative agent¹
30 can pursue enforcement of penalties for the violation. If the
31 nonprofit community development corporation dissolves, the deed
32 of the residential property shall be transferred to another nonprofit
33 community development corporation who shall be bound by the
34 requirements of this subsection.

35 k. In the case of a residential property for which the successful
36 bidder is subject to the occupancy requirement pursuant to
37 paragraphs (7) and (8) of subsection e. of this section, the
38 appropriate sheriff's office, county administrative agent, or
39 affordable housing administrative agent that is hired by the county
40 shall oversee the occupancy of the property, which may include the
41 mailing of a questionnaire to the successful bidder within 84
42 months following the sale or requiring the bidder to respond to
43 questions and submit documentation evidencing the bidder's
44 continued residence at the property using the proof of residency
45 documents provided pursuant to paragraph (5) of subsection e. of
46 this section. If the appropriate sheriff's office, county

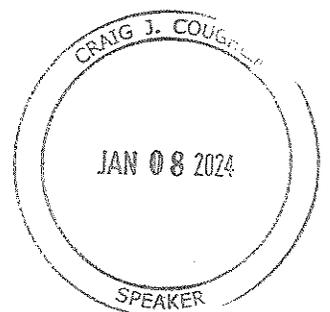


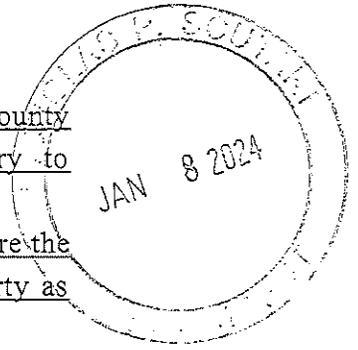
1 administrative agent, or affordable housing administrative agent
2 that is hired by the county determines based upon its oversight that
3 there has been an occupancy violation, the sheriff's office, county
4 administrative agent, or affordable housing administrative agent
5 hired by the county shall refer the matter to the county counsel's
6 office to bring an action in a court of competent jurisdiction so that
7 the sheriff's office can pursue enforcement of penalties for the
8 violation.

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

27 m. Any sheriff's sales conducted virtually shall be subject to the
28 provisions of P.L. , c. (C.) (pending before the Legislature
29 as this bill).

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





1 including costs incurred by the appropriate sheriff's office, county
2 administrative agent, or county counsel's office, necessary to
3 effectuate the purposes of this section.

4 o. The provisions of P.L. , c. (C.) (pending before the
5 Legislature as this bill) shall only apply to residential property as
6 defined pursuant to subsection p. of this section.

7 p. As used in this section:

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

11 "Community Wealth Preservation Program" means the program
12 created by P.L. , c. (C.) (pending before the Legislature as
13 this bill) to assist prospective owner-occupants, nonprofit
14 community development corporations, foreclosed upon defendants,
15 next of kin of foreclosed upon defendants, and tenants of foreclosed
16 upon defendants in purchasing and financing foreclosed upon
17 residential properties in sheriff's sales with an initial 3.5 percent
18 deposit.

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

25 "Residential property" means real property located in this State
26 ²[in which people reside or dwell as their primary residence,]
27 which is utilized as a primary residence or dwelling,² and shall not
28 include ²any real² property which is ²[used] acquired² for
29 investment, commercial, or business purposes or ²[residential]
30 real² property containing more than four residential units.

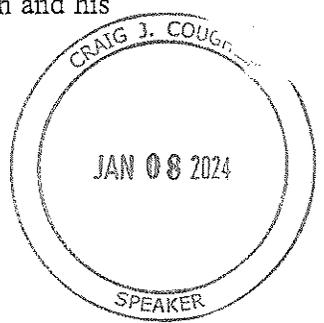
31 "Upset price" means the minimum amount that a foreclosed upon
32 property shall be sold for in a sheriff's sale as determined by the
33 foreclosing plaintiff.

34 (cf: P.L.2019, c.71, s.1)

35
36 2. N.J.S.22A:4-8 is amended to read as follows:

37 22A:4-8. For the services hereinafter enumerated sheriffs and
38 other officers shall receive the following fees:

39 In addition to the mileage allowed by law, for serving every
40 summons and complaint, attachment or any mesne process issuing out
41 of the Superior Court, the sheriff or other officer serving such process
42 shall, for the first defendant or party on whom such process is served,
43 be allowed \$22.00 and, for service on the second defendant named
44 therein, \$20.00, and for serving such process on any other defendant or
45 defendants named therein, \$16.00 each, and no more. If a man and his



1 wife be named in such process they shall be considered as one
2 defendant, except where they are living separate and apart.

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

5 Serving capias ad respondendum, capias ad satisfaciendum,
6 warrant of commitment, writ of ne exeat, in addition to mileage,
7 \$48.00.

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

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

11 For returning every writ, \$2.00.

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

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

16 For serving each out-of-State paper, in addition to the mileage
17 allowed by law, \$25.00 for the first defendant on whom such paper is
18 served, \$20.00 for service on the second defendant named therein, and
19 \$16.00 for serving such paper on any other defendant or defendants
20 named therein. If a man and wife be named in such paper, they shall be
21 considered as one defendant, except where they are living separate and
22 apart.

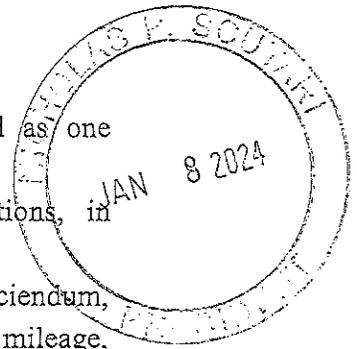
23 For serving or executing any process or papers where mileage is
24 allowed by law, the officer shall receive mileage actually traveled to
25 and from the courthouse, at the rate per mile of \$0.16.

26 The sheriff shall be entitled to retain out of all moneys collected or
27 received by him on a forfeited recognizance, whether before or after
28 execution, or from amercements, or from fines and costs on
29 conviction, on indictment or otherwise, whether such moneys are
30 payable to the State or to the county treasurer of the county wherein
31 conviction was had, **[5%]** five percent.

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

36 EXECUTION SALES

37
38
39 **[When]** ¹**[Except as to sales conducted in accordance with**
40 **section 12 of P.L.1995, c.244 (C.2A:50-64), when** a sale is made by
41 virtue of an execution the sheriff shall be entitled to charge the
42 following fees: On all sums not exceeding \$5,000.00, **[6%]** 10
43 percent; on all sums exceeding \$5,000.00 on such excess, **[4%]** five
44 percent; the minimum fee to be charged for a sale by virtue of an
45 execution, **[\$50.00]** \$150.00. **When sales are]** On a sale¹ conducted
46 in accordance with section 12 of P.L.1995, c.244 (C.2A:50-64), the



1 sheriff shall be entitled to charge six percent on a sale by virtue of an
2 execution¹; however, if a sale reverts to the foreclosing plaintiff, the
3 fee to be charged on a sale by virtue of an execution shall be \$150.00.

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

7 On all sums not exceeding \$5,000.00, 10 percent; on all sums
8 exceeding \$5,000.00 on such excess, five percent; the minimum fee to
9 be charged for a sale by virtue of an execution, \$150.00.^{1 2}However, if
10 a sale reverts to the foreclosing plaintiff, the fee to be charged on a
11 sale by virtue of an execution shall be \$150.00.²

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

16 When the execution is settled without actual sale and such
17 settlement is made manifest to the officer, the officer shall receive
18 **[1/2]** one-half of the amount of percentage allowed herein in case of
19 sale.

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

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

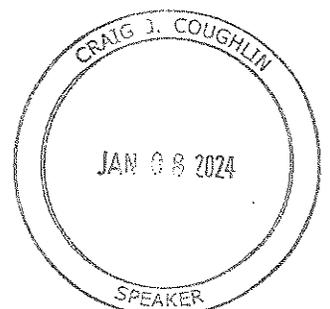
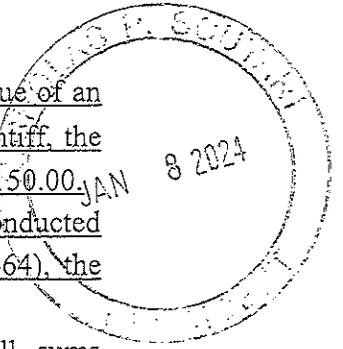
23 Posting property for sale, \$20.00. For the crier of the vendue, when
24 the sheriff proceeds to sell, for every day he shall be actually
25 employed in such sale, \$5.00.

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

30 Drawing and making a deed to a purchaser of real property,
31 \$75.00.

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

34 When more than one execution shall be issued out of the Superior
35 Court upon any judgment, each sheriff to whom such execution shall
36 be directed and delivered shall be entitled to collect and receive from
37 the defendant named in such execution the fees allowed by law for
38 making a levy and return and statement thereon, or for such other
39 services as may be actually performed by him, and the sheriff who
40 shall collect the amount named in said execution or any part thereof,
41 shall be entitled to the legal percentage upon whatever amount may be
42 so collected by him, but in case any such judgment shall be settled
43 between the parties and the amount due thereon shall not be collected
44 by either sheriff, then the percentage on the amount collected which
45 would be due the sheriff thereon in case only one execution had been



1 issued shall be equally divided among the several sheriffs in whose
2 hands an execution in the same cause may have been placed.

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

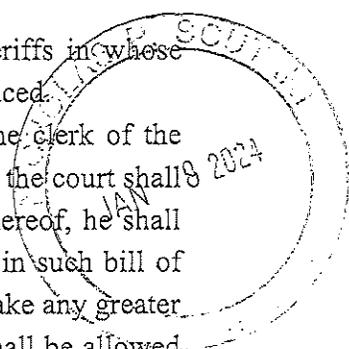
13 (cf: P.L.2001, c.370, s.5)

14
15 3. (New section) a. In situations in which a creditor has
16 instituted a foreclosure proceeding pursuant to the "Fair Foreclosure
17 Act," P.L.1995, c.244 (C.2A:50-53 et seq.) and a creditor employs
18 an agent to be responsible for the care, maintenance, security, and
19 upkeep of the property if it becomes vacant and abandoned, the
20 creditor and agent who peacefully enter the property and exercise
21 reasonable care in doing so, shall be immune from liability, before
22 and after the bid, for any damage to the property or any person
23 entering the property.

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

26
27 4. This act shall take effect immediately.

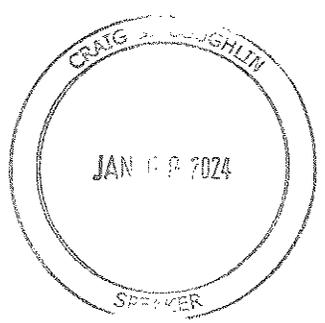
12TH DAY OF January, 2024
Philip D. Murphy
PHILIP D. MURPHY
GOVERNOR



Attest

Parimal Garg
Parimal Garg

Chief Counsel to the Governor



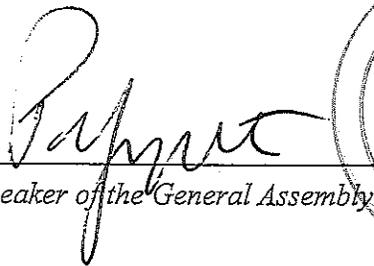
GENERAL ASSEMBLY,

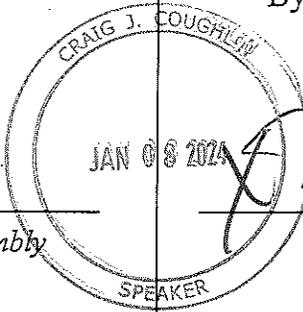
1/8, 2024

This bill having been three times read in the
General Assembly,

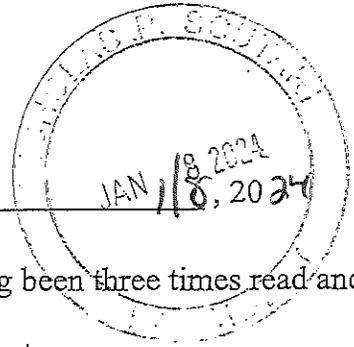
RESOLVED, That the same do pass.

By order of the General Assembly.


Speaker of the General Assembly



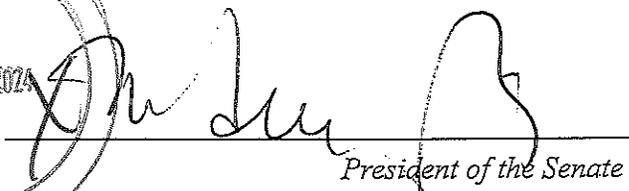
SENATE,



This bill having been three times read and
compared in the Senate,

RESOLVED, That the same do pass.

By order of the Senate.


President of the Senate

GENERAL ASSEMBLY,

_____, 20

This bill having been three times read in the
General Assembly,

RESOLVED, That the same do pass as
amended.

By order of the General Assembly.

Speaker of the General Assembly

SENATE,

_____, 20

This bill having been three times read and
compared in the Senate,

RESOLVED, That the same do pass as
amended.

By order of the Senate.

President of the Senate