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DIEGNAN/STENDER/VAS/JASEY

BILL TO REQUIRE LENDERS TO DETAIL PROGRAMS TO STEM FORECLOSURE RELEASED BY ASSEMBLY PANEL

(TRENTON) – Legislation sponsored by Assembly members Patrick J. Diegnan Jr., Linda Stender, Joseph Vas and Mila M. Jasey to require lenders to give homeowners information about programs to cure defaults before initiating a foreclosure proceeding was released today by an Assembly committee.

The bill (A-3767) was released 5-0-1 by the Assembly Financial Institutions Committee and now goes to the Assembly speaker, who decides if and when to post it for a floor vote.

“Having the right information at the right time can keep people in their homes,” said Diegnan (D-Middlesex). “Lenders should be working with homeowners to cure defaults before it’s too late and the damage has been done.”

The measure would require that at least 60 days before filing a notice of intention to foreclose, a residential mortgage lender shall send the debtor, by registered or certified mail, with return receipt requested, a written notice clearly and conspicuously stating:

- The nature and extent of any default or failure to perform any obligation of the mortgage that may provide the mortgage lender with the right to send to the debtor a notice of intention to foreclose.
- The availability of financial assistance for curing a default from programs operated by the state and federal government or nonprofit organizations.
- The availability of any programs offered by the lender to refinance or restructure the mortgage.

“Too many homeowners have lost their homes during this global economic crisis simply because they weren’t aware of programs that could have helped,” said Stender (D-Union). “That would no longer be the case under this bill. Homeowners will have the information they need to keep their families in their homes.”

“Preserving the dream of homeownership is a top priority, and this bill can help accomplish that,” said Vas (D-Middlesex). “A little bit of information provided at the right moment can save a home and a family. It’s the right thing to do for many reasons.”

“Keeping hard-working New Jerseyans in their homes by providing them with the information they need to cure defaults and resolve their problems will help preserve families and stabilize neighborhoods,” said Jasey (D-Essex). “We can’t afford to see families separated from their homes just because they didn’t know a program to help was available to them.”

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