

Community Trends®



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LEGISLATIVE UPDATE

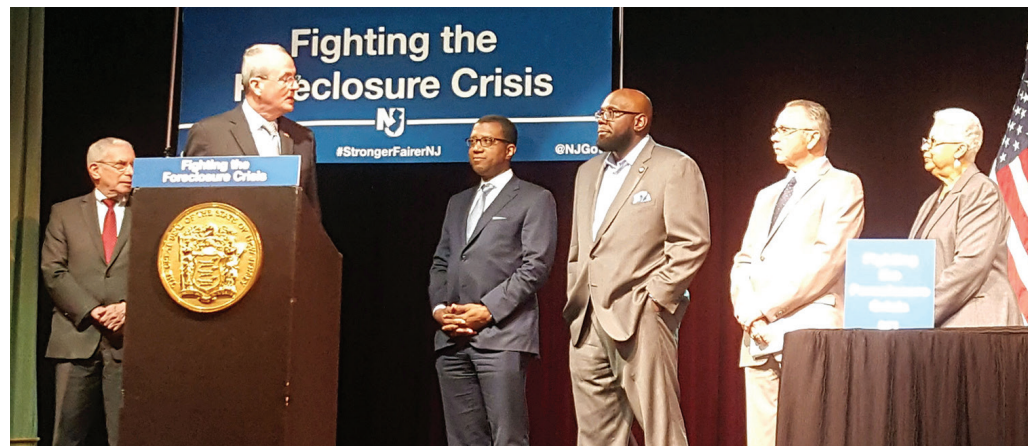
GEORGE GREATREX, ESQ.
PARTNER, SHIVERS, GOSNAY & GREATREX, LLC
LEGISLATIVE ACTION COMMITTEE CHAIR

SUCCESS !!!

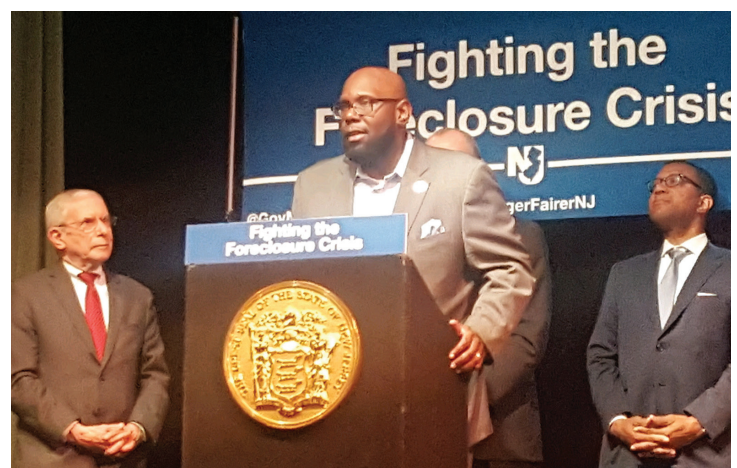
Reform of New Jersey's foreclosure laws has long been a priority for your CAI Legislative Action Committee-NJ (NJ-LAC). All of us who live and work in common interest communities in our state know too well the financial toll mortgage foreclosures take on such communities. That toll comes in many forms, from the inability to recover the full amount of delinquent assessment payments from homeowners who have been foreclosed on by their mortgage lenders, to the loss of property values of homes in associations burdened with neighboring vacant and abandoned properties. While the local, state and national economies certainly play a role in the severity of any foreclosure "crisis," our State's laws likewise can either contribute to, or alleviate, those crisis conditions.

There can be no denying that New Jersey, which claims the dubious distinction of having one of the highest foreclosure rates in the country, has been in a foreclosure "crisis" these past several years. Your LAC has been attempting for quite some time to amend New Jersey's foreclosure laws to lessen that financial burden on nearly 6,700 com-

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Photos courtesy CAI-NJ



mon interest communities in our State. It has not been an easy task. We've learned in this process that sometimes it takes more than hard work to get legislation enacted into law. It also takes a problem to reach a "tipping point", it takes motivated and influential legislative sponsors, and it takes a little luck. Fortunately, we had all of those things working in our favor these past few months, and as a result we succeeded in achieving a legislative victory that will finally provide some much needed relief to common interest communities across the state who have been suffering as a result of this foreclosure crisis.

As you likely already know, on March 25, 2019 the New Jersey Legislature passed a package of nine (9) bills that reformed our state's foreclosure laws in various ways. Two of those bills specifically addressed issues related to common interest communities. A5002/S3413 extends common interest community lien priority over mortgages to homeowner associations (where until now it was only available to condominiums), and also extends the one-time, 6 month lien priority to an *annual* 6 month lien priority. S3413/A5005 shortens the time period within which a Sheriff's Sale must take place after foreclosure judgment has been entered on a vacant and abandoned property. Until now, such sales could be postponed almost indefinitely, leaving the property vacant and abandoned for months if not years.

I am pleased to report that on April 29, 2019 Governor Murphy signed all nine of these bills into law at a special signing ceremony convened in Atlantic City (not coincidentally, the city with the highest foreclosure rate in our state...1 in every 42 homes). The ceremony was attended by several invited stakeholders and supporters, various legislative sponsors of these bills, and the press. CAI-NJ's Executive Director Larry Thomas, the LAC's professional lobbyist Michele Jaker of MBI, and I were privileged to have been invited to witness this important event. See associated photos.

There is not enough room in this column to acknowledge and thank all those who played a role in achieving this legislative success, but I would be remiss if I didn't personally thank Senator Troy Singleton (D-7 Burlington County) for spearheading this reform effort. During the process he allowed us to provide him and his staff with much information on the various issues affecting the nearly 1.5 million New Jerseyans who live and work in common interest communities, and he has proven himself to be a

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strong and effective advocate for all of us. I also offer my thanks to Michele Jaker and MBI for the professional guidance they gave us in navigating this complex process, to the members of the LAC for their constant and unwavering volunteer support, and to Larry Thomas and his staff at CAI-NJ for their encouragement and countless hours of work behind the scenes to help make this goal a reality.

If you are a community manager or a homeowner leader and have questions about how these new laws affect you and your associations, we recommend that you consult with your association legal counsel for advice. Of course, you might also consider attending the various educational opportunities offered by CAI, and reading the frequent articles in Community Trends and on the Chapter website about this and many other important legal issues that affect our industry daily.

See you here next month...■