

## NOTICE TO THE BAR AND PUBLIC

### FORECLOSURE – AUTHORIZATION FOR HOMEOWNERS TO APPLY FOR AN ADDITIONAL STAY OF A SHERIFF’S SALE BASED ON HOMEOWNER ASSISTANCE FUND (HAF) ELIGIBILITY

The Supreme Court has authorized homeowners to request an additional stay of the sheriff’s sale in residential foreclosures (after exhaustion of the statutory maximum of five 30-day stays) if they are eligible for relief through the Homeowner Assistance Fund (HAF). Following up on the [November 19, 2021](#) notice on the resumption of issuance of writs of possession, this notice announces that new process to protect homeowners facing delinquency, default, or foreclosure due to missed mortgage payments resulting from hardship caused by the COVID-19 pandemic.

#### American Rescue Plan & Homeowner Assistance Fund

The federal American Rescue Plan of 2021 established the HAF to prevent displacement of homeowners who fell behind in mortgage payments because of the COVID-19 pandemic. The U.S. Department of the Treasury has allocated \$325.6 million in HAF funds to New Jersey. Those funds are intended to be available to owner-occupants of one- to four-unit residences who have incomes less than 150% of the Area Median Income. To qualify for HAF funds, homeowners must attest that they experienced COVID-related financial hardship after January 21, 2020.

#### Pending Availability of HAF Funds in New Jersey

The New Jersey Housing and Mortgage Finance Agency (“NJHMFA”) has submitted a proposal for distribution of those federal HAF funds, which are projected to be able to assist up to 7,000 New Jersey homeowners. HAF funds can be used (1) to pay arrears and reinstate the current mortgage; (2) to assist homeowners in making their next four mortgage payments; (3) to pay non-mortgage incidental costs such as taxes, homeowner’s insurance, assessments and municipality liens; or (4) to pay a combination of arrears, mortgage payments, or incidental costs not to exceed \$35,000.

The in-development NJHFMA program has not yet been approved. (See <https://www.njhousing.gov/dca/hmfa/covid19/haf/>) Thus, there is as yet no


public application process to apply for HAF funds, although NJHFMA expects that applications will open in the near future.

Forthcoming Motion Packet; Questions

To prevent displacement of homeowners intended to be protected by the American Rescue Plan while upholding the due process rights of mortgagors, the Court has authorized homeowners who meet HAF eligibility requirements to file a motion to stay a pending sheriff's sale until they can avail themselves of HAF assistance. Any such motion would need to be served on the mortgage holder who would have an opportunity to object to the further stay. There will be no filing fee for the motion to stay sheriff's sale due to HAF eligibility. All applications will be decided by a vicinage judge.

The Judiciary is finalizing a motion packet for use by homeowners, which will be promulgated by future notice.

Questions on this notice may be directed to the Superior Court Clerk's Office at (609) 421-6100.

  
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Hon. Glenn A. Grant, J.A.D.  
Acting Administrative Director of the Courts

Dated: December 8, 2021