March 30, 2020

# New Jersey Governor Announces Residential Mortgage Relief Amid COVID-19 Pandemic

On March 28, Governor Phil Murphy announced an initiative between the state and many financial institutions to alleviate the financial impact of COVID-19 on New Jersey residents. The State of New Jersey Department of Banking and Insurance issued an online statement that, "Citigroup, JP Morgan Chase, US Bank, Wells Fargo and Bank of America, in addition to forty other federal and state-chartered banks, credit unions and servicers, have committed to providing relief for consumers and homeowners in New Jersey." The below measures went into effect on March 28. The relief to individual and entity mortgage borrowers impacted by COVID-19 includes (1) a 90-day grace period for all residential mortgage payments, (2) waiver or refund of mortgage-related late fees and other fees such as early withdrawal fees for 90 days, (3) no new foreclosure sales or evictions for 60 days and (4) no credit score changes for individuals taking advantage of the relief.

The mortgage payment forbearances offered by the participating financial institutions vary depending on the particular institution and the residential mortgage payer's relationship with said institution. Mortgage borrowers are expected to work directly with their financial institution to agree on terms for the forbearance. It is expected that some banks will permit the additional payments to be made at the back end of the mortgage in lieu of a lump sum payment being due on day 91. Financial institutions may also consider ongoing hardships after the 90-day period, if necessary, on a case-by-case basis. Mortgage borrowers must provide documentation that shows they are economically impacted by COVID-19 and this impact is largely contributing to their inability to make payments on time. Financial institutions are not permitted to report late payments to credit reporting agencies, but are permitted to report a forbearance.

The relief does not include business loans at this time. The relief also does not directly impact renters, but Governor Murphy has strongly urged landlords to provide similar relief to their tenants if they, as landlords, are taking advantage of the mortgage relief offered pursuant to the above-described initiative. Under Executive Order Number 106, issued on March 19, landlords cannot evict residential tenants and banks cannot remove individuals from residential properties as a result of foreclosure proceedings for two months. Note, however, that commercial businesses remain at risk if they are not paying their mortgages or rent and are not protected by Executive Order 106 or other legislation at this time.

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For more Day Pitney alerts and articles related to the impact of COVID-19, as well as information from other reliable sources, please visit our COVID-19 Resource Center.

COVID-19 DISCLAIMER: As you are aware, as a result of the COVID-19 pandemic, things are changing quickly and the effect, enforceability and interpretation of laws may be affected by future events. The material set forth in this document is not an unequivocal statement of law, but instead represents our best interpretation of where things stand as of the date of first publication. We have not attempted to address the potential impacts of all local, state and federal orders that may have been issued in response to the COVID-19 pandemic.

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