

## RESIDENTIAL EVICTIONS: WHAT HOMEOWNERS NEED TO KNOW

As of April 7, 2020

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### REMOVALS

#### **Can I be removed from my home as a result of a foreclosure proceeding during the COVID-19 emergency?**

**No.** On March 19, 2020, New Jersey Governor Philip Murphy issued [Executive Order 106](#), which immediately suspends evictions and removals throughout the state. This is called an “eviction moratorium,” and it means that, except in rare circumstances, **no homeowner may be removed from his or her home as a result of a foreclosure proceeding at this time.** You cannot be removed even if a [final judgment of foreclosure](#) has been entered and a [sheriff’s sale](#) of your property has taken place. The eviction moratorium does **not** affect court proceedings; instead, it prevents removals. More information on court proceedings is below.

#### **How long will the eviction moratorium last?**

The eviction moratorium began on March 19, 2020, and it will last until two months after Governor Murphy declares an end to the COVID-19 health crisis, unless the Governor issues another Executive Order to end it sooner.

#### **Do I still need to pay my mortgage?**

**Yes.** You will have to make your mortgage payments sooner or later. If you need extra time, however, help is available.

If you have a federally backed mortgage, you have the right to ask your mortgage servicer for forbearance (a pause on payments) to relieve financial hardship arising from the pandemic. The recently adopted federal [CARES Act](#) requires servicers of federally backed mortgages to give struggling borrowers a 180-day grace period on payments. The borrower may request one extension of up to 180 days. During the grace period, the servicer cannot charge you fees, penalties, or interest other than what you would owe if you had paid on time.

In addition, Governor Murphy has announced some [important relief for homeowners with mortgages, including those that are not backed by the federal government](#). If you contact your mortgage servicer, you may be eligible for: (1) a 90-day grace period for mortgage payments; (2) assurance that the servicer will not report late or missed payments during this period to credit agencies; (3) a 60-day moratorium on servicers’ initiation of foreclosure sales or evictions; and (4) relief from certain fees and charges for at

least 90 days. For more information, check the [FAQs](#) issued by the state. You can also check the website of [New Jersey Housing and Mortgage Finance Agency](#) for updates on available help and to access a list of counselors by county.

### **Is there a national moratorium on evictions?**

**Yes, for some homeowners.** On March 18, the U.S. Department of Housing and Urban Development (HUD) announced a [foreclosure and eviction moratorium](#) that applies to single-family homeowners with Federal Housing Authority (FHA)-insured mortgages for 60 days. [Fannie Mae and Freddie Mac](#) will also suspend foreclosures and evictions for at least 60 days for homeowners behind on their mortgages. In addition, the federal CARES Act makes it illegal for the servicer of a federally backed mortgage loan to evict you for 60 days from March 18 (in other words, until May 17). This period could be extended. The [National Low Income Housing Coalition is tracking](#) federal developments.

### **COURT HEARINGS**

#### **Can lenders still begin foreclosure proceedings during this period?**

**Not if you hold a federally backed mortgage.** The federal CARES Act makes it illegal for the servicer of a federally backed mortgage loan to begin or move forward with foreclosure proceedings for sixty days from March 18 (until May 17). For updates, check the website of the [National Low Income Housing Coalition](#).

**Yes, if you don't hold a federally backed mortgage.** The state [Executive Order](#) and [related legislation](#) specifically state that lenders can bring foreclosure actions during the time the order is in effect. We understand that the Superior Court [Office of Foreclosure](#) is still accepting new cases and electronic filings in existing cases. Under [an agreement with the state](#), however, many lenders have suspended foreclosure sales and evictions until May 27 (60 days from March 28).

#### **Will the Foreclosure Office process cases during this period?**

**That depends.** The Foreclosure Office administers parts of most foreclosure cases and manages most of the process when a foreclosure is "uncontested," meaning that the homeowner did not file an answer to the complaint. Under a [March 27 order](#) issued by the New Jersey Supreme Court, however, the Office of Foreclosure will not review or act on motions or judgments it received after March 1, 2020. Thus, if the lender asks the Foreclosure Office after March 1 to enter a final judgment against the homeowner or seeks other action to advance the foreclosure, the Office will hold those requests for now. The Supreme Court's order will remain in effect until the Court lifts it. Please check the [New Jersey Courts website](#) for updates on court orders affecting how and when uncontested foreclosure cases will proceed. If you have questions about an uncontested foreclosure case that is pending, you can also try contacting the Office of Foreclosure at 609-421-6100 or [Scco.Mailbox@njcourts.gov](mailto:Scco.Mailbox@njcourts.gov).

#### **Will the courts hear foreclosure cases during this period?**

**Yes.** To date, there is no order suspending court hearings in contested foreclosure cases (in which the homeowner answered the complaint). Please note, however, that the courthouses are closed, and in-person hearings are suspended through April 26 under [this Supreme Court order](#). If you have a court hearing scheduled between now and April 26, either it will be held by video or telephone conference, or

it will be postponed. Please check with the court where the case is pending if you have questions. Please also check the [New Jersey Courts website](#) for updates on whether the Court extends the suspension of in-person hearings.

**Can my utilities be shut off during the COVID-19 crisis?**

**No.** New Jersey's [electric and gas utilities](#) have voluntarily suspended utility shut-offs during the crisis. Check [New Jersey Board of Public Utilities website](#) for updates.

In addition, on March 23, the state legislature introduced a [bill](#) that would prohibit shutoffs of electricity, gas, or water public utility services to residential customers during epidemics such as COVID-19. Check the [state's COVID-19 website](#) or the [New Jersey Legislature website](#) to stay informed as new laws are enacted.

**Do I still have to pay for utilities and water?**

**Yes.** You still have to pay your electric, gas, and water bills. If you cannot pay now, you will have to pay later. The utilities and water companies are not cancelling debts; they are just postponing shutoffs for the time being. DCA offers low-income homeowners [assistance with some utility bills](#).