

Governor Murphy Enacts 90-Day Grace Period for Mortgage Relief for Borrowers Economically Impacted by Covid-19

April 6, 2020

Governor Murphy recently announced that mortgage lenders including Citigroup, JPMorgan Chase, Wells Fargo, and for the first time, Bank of America, as well as many state-chartered lending institutions and mortgage servicers, have agreed to provide a **90-day grace period** for residential mortgage payments for borrowers in New Jersey economically impacted by COVID-19. These financial institutions will also not initiate any foreclosure sales or eviction proceedings for at least **60 days**. This mortgage relief plan builds on the moratorium on removals of individuals pursuant to foreclosures or evictions that Gov. Murphy previously instituted via Executive Order No. 106.

Gov. Murphy made clear that the 90-day grace period cannot and will not be used to downgrade any person's credit rating. Lenders will also waive or refund mortgage-related late fees or other related costs, including early CD withdrawals, incurred as a result of this 90-day grace period.

When Does the 90-day Grace Period Begin?

While the Mortgage Relief Plan became effective on **March 28, 2020**, the financial institutions will confirm approval of and the terms of the forbearance program, including the length of the grace period, with the borrower.

What other Financial Institutions are Participating in the Mortgage Relief Plan?

A list of financial institutions participating in the Mortgage Relief Plan can be [found here](#).

How Can a Homeowner Take Advantage of the Mortgage Relief Program?

Homeowners are advised to contact their home lenders directly to take advantage of this mortgage relief. Gov. Murphy also urges financial institutions and credit lenders to lower interest fees, waive late fees, and exercise “compassion” when people call with financial hardships.

Has New Jersey Implemented a Similar Relief Program for Renters?

While Gov. Murphy has not set forth a similar plan for renters relief, his expectation is that the mortgage relief provided to homeowners will trickle down to their renters. In other words, if a landlord is benefiting from the mortgage relief program, then the renters will be afforded similar

relief from the landlord. Gov. Murphy's mortgage relief plan essentially leaves renters at the mercy of their landlords.

If you have any questions concerning how you may be impacted by Gov. Murphy's mortgage relief plan as a landlord or tenant in New Jersey, please contact Nino A. Coviello. For rental assistance resources in New Jersey, visit New Jersey's online portal at <https://covid19.nj.gov/>.