

Governor Murphy Signs Legislation Establishing Community Wealth Preservation Program

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Legislation Creates Homeownership Opportunities for New Jersey Residents

TRENTON – Governor Phil Murphy today signed [A5664/S4240](#)

(https://urldefense.com/v3/_https://t.e2ma.net/click/v1iuk/7ys5259b/reqde7_!!J30X0ZrnC1oQtbA!MAobPC1pB0hvNUITWRMsg7XhHKpdUOeb2IUAJbEe) establishing a Community Wealth Preservation Program to promote equity and fairness in foreclosure sales by providing opportunities for foreclosed-upon residents and their next of kin, tenants, and other prospective owner-occupants – along with nonprofit community development corporations – to purchase and finance a foreclosed-upon home.

The current foreclosure market favors investment companies that can afford to purchase foreclosed-upon properties and sell them at a profit. The legislation helps to level the playing field, support affordable homeownership, and empower those with a vested interest in the community to purchase property.

"For too many, the dream of homeownership feels far out of reach," said **Governor Murphy**. "With today's bill signing, we are creating a new avenue to homeownership for individuals and families throughout New Jersey, giving many the opportunity to remain in the homes and communities they cherish while also protecting our neighborhoods from rapid investor-driven homebuying."

"This new law shows that New Jersey is continuing to find creative ways to create affordable homeownership opportunities for families and, in the process, ensure more homes stay owned by local residents," said **New Jersey Department of Community Affairs Acting Commissioner Jacquelyn A. Suárez**. "With the Community Wealth Preservation Program, it is now much easier for all residents to buy a home to live in at a sheriff's sale because of the lower deposit required and the extra time to come up with money for the remaining balance. Rather than corporations and investors buying the homes to rent or flip for profit, everyday families now have a better opportunity of purchasing a house they can call home for generations to come."

Then-Assemblywoman, now-Senator Britnee Timberlake championed this legislation in the Legislature. Additional primary sponsors include Senators Andrew Zwicker and Shirley Turner and Assemblymembers Shanique Speight, Shavonda Sumter, and Benjie Wimberly.

"New Jersey is consistently in the top three in the nation with the highest foreclosures. Our state also has the widest racial wealth gap in the country. Black and brown wealth is hemorrhaging through the loss of foreclosed property, and the people who live in the community often do not have deep enough pockets to even participate in the foreclosure process. This bill is a creative opportunity for families to save their wealth at the time of a foreclosure sale by using financing," said **Senator Britnee Timberlake**. "This legislation also levels the playing field for renters, affordable housing non-profit developers and people who want to purchase an abandoned home to restore and live in or to create affordability. This is what equity in systems look like."

"Community wealth preservation represents an important way of ensuring affordable housing opportunities remain with the local community, stabilizing neighborhoods, and improving lives, all the while making a variety of other positive impacts that will boost our towns economically and socially and keep them viable for future generations to come," said **Senator Andrew Zwicker**.

"Too often foreclosed properties are bought up by real estate investors and developers only looking to make a profit," said **Senator Shirley Turner**. "This legislation will help to keep property ownership within the community. By creating pathways for owners, tenants and local organizations to make purchases at sheriff's sales we can help to keep money in the community and keep people in their homes."

"The current process for buying foreclosed houses favors companies that have the money to purchase property at sheriff sales and resell it for a profit," said **Assemblywoman Shanique Speight**. "By enacting the changes detailed in this bill, we can give people vested in their community a better chance of securing a home at these sales."

"Home ownership is an important way to build generational wealth, and this bill combats housing insecurity," said **Assemblywoman Shavonda Sumter**. "The trauma of losing the family home due to foreclosure leaves a lasting emotional scar. This bill makes it easier for families to support one another, buy that home at a sheriff's sale and keep it in the family."

"We need to make housing affordable and accessible, especially in Black and brown neighborhoods and the 'Community Wealth Preservation Program' does that. This legislation provides an opportunity for many New Jerseyans who want to own a home and join a community," said **Assemblyman Benjie Wimberly**. "We're removing barriers that stand in the way of a potential homeowner's success at sheriff sales."

"Today we are taking a major step to address NJ's enormous racial wealth gap, the largest in the nation," said **Staci Berger, president and chief executive officer of the Housing and Community Development Network of NJ**. "The Community Wealth Preservation Program will help to HouseNJ by preventing the loss of a family's greatest asset – their home. This landmark legislation, which has been persistently championed by Senator Britnee N. Timberlake during her time in the Assembly, allows relatives to keep their home within their family when possible, and allows nonprofit developers to help keep the property affordable when not. NJ needs to do everything we can to prevent foreclosures, which contribute to the racial wealth disparity, and provide people with safe and stable housing. We thank all the sponsors including Senators Timberlake and Andrew Zwicker, our legislative leaders, and Governor Phil Murphy for their leadership and commitment to bring this generational wealth building tool to New Jerseyans."

"The bill puts the interests and wellbeing of people before corporate real estate interests and protects families and communities from the disruption and devastation caused by foreclosure," said **New Jersey Citizen Action's Financial Justice Program Director, Beverly Brown Ruggia**. "The legislation is an important step toward

reversing the devastating impact of the great recession and foreclosure crisis on black and brown families in New Jersey. It will help ensure that the chain of generational wealth building through home ownership isn't broken when a family falls on hard times. We want to especially thank Senator Britnee Timberlake for championing this bill, and Governor Murphy for signing it into law."

"We are pleased to see Governor Murphy sign this critical piece of legislation into law. Providing expanded opportunities for Black and Brown communities to retain wealth through homeownership is vital. Closing the racial wealth gap in New Jersey will require more work, but the Community Wealth Preservation Act will create a desperately needed pathway and is a great step in the right direction. We commend Senator Timberlake for her leadership and advocacy in championing this bill," **said James Williams, Director of Racial Justice Policy at the Fair Share Housing Center.**

"This legislation is an important step in addressing New Jersey's racial wealth gap by preserving housing wealth in families and communities rather than turning it over to outside investors," **said Laura Sullivan, Director of the Economic Justice Program at the New Jersey Institute for Social Justice.** "This new policy is especially important in New Jersey where people of color face some of the worst racial wealth disparities and are most vulnerable to foreclosure."

Governor Phil Murphy

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