

N.J.A.C. 5:33-4.1

This file includes all Regulations adopted and published through the New Jersey Register, Vol. 56 No. 13, July 1, 2024

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§ 5:33-4.1 Authority

This subchapter is adopted under the authority of P.L. 1990, c.69, section 16, [N.J.S.A. 17:16F-15](#) et seq.

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[N.J.A.C. 5:33-4.2](#)

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§ 5:33-4.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Director" means the Director of the Division of Local Government Services.

"Duplicate copy" shall have the meaning defined in [N.J.S.A. 17:16F-15](#).

"Mortgagee" means the holder of a mortgage loan.

"Mortgage escrow account or escrow account" means an account maintained under a mortgage loan agreement, whether incorporated into the agreement or as part of a separately executed document, whereby: the mortgagor is obligated to make periodic payment to the mortgagee, or the mortgagee's agent, for taxes, insurance premiums, or other charges with respect to the real property which secures the mortgage loan, and the mortgagee or the mortgagee's agent is obligated to make payments for taxes, insurance premiums, or other charges with respect to the real property which secures the mortgage loan.

"Mortgage loan" shall have the meaning defined in [N.J.S.A. 17:16F-15](#).

"Mortgagor" shall have the meaning defined in [N.J.S.A. 17:16F-15](#).

"Property identification information" means the information necessary to identify a specific parcel of land and includes the following elements: name of municipality, county, block number, lot number, qualification code, property address or location, name and mailing address of the property owner.

"Property tax processing organization" shall have the meaning defined in [N.J.S.A. 17:16F-15](#).

"Purchasing servicing organization" shall have the meaning defined in [N.J.S.A. 17:16F-15](#).

"RESPA" means the Real Estate Settlement Procedures Act and the related regulations in the Code of Federal Regulations, Title 12, Chapter 27.

"Selling servicing organization and servicing organization" shall have the meaning defined in [N.J.S.A. 17:16F-15](#).

"Substitute form" means a form required by these rules different in layout and appearance from the ones promulgated herein, but containing the same information.

"Tax delinquency" or "delinquency" shall mean delinquency as defined in [N.J.S.A. 54:4-67](#).

"Tax sale" shall mean a tax sale as defined in [N.J.S.A. 54:5-19](#) et seq.

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"Tax collector" means the properly designated tax collector of the taxing district in which the mortgagor's property is located.

"Tax bill" means the original form issued by the tax collector with the appropriate itemization and payment information for local property taxes as required by law. It shall include the information section itemizing the taxes due, and payment stubs containing property identification information and amount due for each of the quarters.

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§ 5:33-4.3 Forms for mortgage escrow account transactions

(a) The following forms shall be used in compliance with this subchapter:

Form Title	Form No.
Initial Tax Authorization Notice	ME-1
Escrow Account Transaction Notice	ME-2
N.J. Request for Duplicate Tax Bill	ME-3
Notice Regarding Sale of Municipal Lien	ME-4
Request for Review	ME-5

(b) Single, reproducible copies of forms ME-1 through ME-5 are available to interested parties at no cost. They may be obtained from the Mortgage Escrow Program, Division of Local Government Services, CN 803, Trenton, N.J. 08625-0803.

(c) Users may reproduce these forms. A company name may be inserted in lieu of the "New Jersey Department of Community Affairs, Division of Local Government Services" block in the upper left hand corner on the Initial Tax Authorization Notice, and Escrow Account Transaction Notice. Users are urged to preprint appropriate information on all forms.

(d) Where specifically authorized herein, substitute forms may be used to comply with the requirements of this rule. Substitute forms must contain all necessary information for transactions to be properly recorded or executed by the tax collector.

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§ 5:33-4.4 Use of initial tax authorization notice

(a) An Initial Tax Authorization Notice (ME-1) shall be used by all mortgagees, servicing organizations, or property tax processing organizations establishing or maintaining mortgage escrow accounts as the initial authorization by a mortgagor to the tax collector to send the original tax bill to the mortgagee or the mortgagee's servicing organization pursuant to [N.J.S.A. 54:4-64](#).

(b) The notice, with original signatures of the mortgagor, shall be mailed or otherwise delivered to the tax collector.

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§ 5:33-4.5 Escrow account transactions

(a) A selling servicing organization or mortgagee and a purchasing servicing organization shall both notify the tax collector not more than 45 days after the actual date, or not less than 10 days prior to the date, the next payment of property taxes is due, whichever is earlier, of a sale, assignment, satisfaction, or transfer of a mortgage escrow account by filing an Escrow Account Transaction Notice (ME-2) or substitute. The form shall be used as follows:

1. The original of the notice prepared by the current mortgage holder or the selling servicing organization shall be mailed or otherwise delivered to the tax collector;
2. The original of the notice prepared by the new servicing organization shall be mailed or otherwise delivered to the tax collector. This shall be supplemented with the purchaser's procedure for responding to questions regarding a mortgage escrow account it manages;
3. In lieu of separate forms filed by both the seller and purchaser, the seller may forward the documentation directly to the new servicing organization for confirmation and approval. The new servicing organization shall then forward the completed form to the tax collector on behalf of both parties;
4. In the case of a property owner making final satisfaction of a mortgage, the section noted "Property Sold or Property Owner Satisfaction of Mortgage" shall be completed, and sent to the municipal tax collector;
5. In the case of a property sale, the section noted "Property Sold or Property Owner Satisfaction of Mortgage" shall be completed, and sent to the municipal tax collector; and
6. In addition, in accordance with [N.J.S.A. 17:16F-17\(a\)](#), copies of all initial sale, transfer, and assignment transactions shall also be sent to the borrower.

(b) A substitute form may be used in lieu of the ME-2 form. A substitute form shall not describe more than one property, and must include the following elements:

1. Property identification information;
2. Date of transaction;
3. Type of transaction;
4. Any internal loan identifying number or code;
5. For the originator or seller of a mortgage, servicing organization or property tax processor change; the name, address, internal identifying number, bank code number, contact person and phone number related to the organization(s) being changed;
6. For the recipient or buyer of a mortgage, servicing organization or property tax processor change, the name, address, internal identifying number, bank code number, contact person and phone number related to the new organization(s);

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7. If the transaction is a sale or owner satisfaction of a mortgage, indication of which action and the effective date;
 8. If the recipient or buyer is to receive notice of foreclosure pursuant to [N.J.S.A. 54:5-104.48](#), indication of same and signature of mortgagee representative, typed name and title; and
 9. Name, signature, and phone number of the individual preparing the notice, date the form was prepared, and the name of the organization submitting the notice; if the form is being sent to the recipient or buyer organization for confirmation pursuant to (a)3 above, this same information for the buying organization.
- (c) To ensure that original tax bills are properly forwarded, the following procedures shall be followed:
1. In the case of a mortgage sale, the holder of the tax bill shall forward the original tax bill to the new mortgagee or property tax servicing organization.
 2. In the case of a property sale, the holder of the tax bill shall forward the tax bill to the municipal tax collector. Upon receipt of a ME-1 notice, the tax collector shall forward the tax bill to the new servicer of property tax processing organization.
- (d) If a donor is a mortgagor whose mortgagee servicing organization or property tax processing organization pays the property taxes on the mortgaged parcel, and the donor makes a donation to the charitable fund, the creditable portion thereof shall be reported by the tax collector to the mortgagee, servicing organization, or property tax processing organization. If a credit has been applied to the donor's property tax obligation, the tax collector shall report the credit to the mortgagee, servicing organization, or property tax processing organization and any tax payment made by the mortgagee, servicing organization, or property tax processing organization toward the credited amount shall be refunded to the mortgagee, servicing organization, or property tax processing organization by the municipality.
- (e) If a mortgagor elects to have a portion of his or her mortgage escrow account paid to a local unit charitable fund in lieu of property taxes, the mortgagor shall provide the following information to the mortgagee, servicing organization, or property tax processing organization handling such payments:
1. The name of the local unit or units, and the charitable fund or funds being donated to;
 2. Total contribution amount to each charitable fund; and
 3. The amount of the contribution creditable toward the mortgagor's property taxes.
- (f) If a mortgagor elects to have a portion of his or her mortgage escrow account paid to a local unit charitable fund in lieu of property taxes, the mortgagee, servicing organization, or property tax processing organization shall provide the charitable fund with the information required under [N.J.A.C. 5:30-18.9](#), except for the copy of the tax bill required under [N.J.A.C. 5:30-18.9\(a\)3v](#).
- (g) If a mortgagor elects to have a portion of his or her mortgage escrow account donated to a local unit charitable fund in lieu of property taxes, the mortgagee, servicing organization, or property tax processing organization shall provide the following information to the tax collector:
1. Name of property owner;
 2. Address of property;
 3. Contact information of the mortgagee, servicing organization, or property tax processing organization;
 4. Property block, lot, and qualifier;
 5. The mortgagee's legal interest in the property;
 6. Payment amount;

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7. The identity of the charitable fund or, if payment is to be made to multiple charitable funds of the local unit, the identity of each such local unit charitable fund and the amount of payment to be made to each such charitable fund; and
8. The portion of the charitable fund donation creditable toward the property tax obligation.

History

HISTORY:

Special amendment, R.2018 d.188, effective September 21, 2018 (to expire June 28, 2019).

See: [50 N.J.R. 2247\(a\)](#).

Added (d) through (g).

Adopted concurrent amendment, R.2019 d.052, effective April 30, 2019.

See: [50 N.J.R. 2247\(a\)](#), [51 N.J.R. 828\(a\)](#).

Provisions of R.2018 d.188 adopted without change.

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N.J.A.C. 5:33-4.6

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§ 5:33-4.6 Notice regarding the sale of municipal liens

A tax collector shall include the Notice Regarding the Sale of Municipal Liens (ME-4) with tax sale notices when property taxes are paid through a mortgage escrow account.

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§ 5:33-4.7 Request for duplicate tax bills

(a) Requests for a duplicate tax bill, other than those requested through submission of an Initial Tax Authorization Notice (ME-1), shall be sent to the municipal tax collector on the N.J. Request for Duplicate Tax Bill form (ME-3) or a substitute form.

(b) If a request from a mortgagee, servicing organization, or property tax processing organization is accompanied by the correct fee and necessary information, a tax collector shall deliver an original or duplicate bill within 15 days.

(c) The time limit for response to written or other requests made for a duplicate tax bill made within the 10 calendar days prior to the established due dates for payment of taxes, or during a grace period approved by the municipality, shall be suspended until the conclusion of this time period.

(d) A substitute form may be used in lieu of the ME-3 form. A substitute form shall not list more than one property and shall contain the following elements:

1. Property identification information;
2. Date of request;
3. Bank Tax Code number;
4. Any internal loan identifying number or code;
5. Printed or typed name, address and phone number of the individual and organization preparing the notice; and
6. Name, address and phone number of the individual and organization of where the duplicate bill is to be mailed.

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§ 5:33-4.8 Duplicate tax bill fees; appeals for reimbursement of fee charged; freezing of duplicate fee charges

(a) The maximum charge for an individual, mortgagee, servicing organization, or property tax processing organization requesting an initial duplicate copy of a tax bill is \$ 5.00. The fee for each subsequent copy of the tax bill for the same tax year requested by the same person or organization shall not exceed \$ 25.00. The actual amount shall be set by municipal ordinance.

(b) Duplicate bill fees set by the governing body that are in effect as of March 1 of each year shall remain in effect until June first of the succeeding year. Fees may be changed during the year, but shall not take effect until the following June 1.

(c) If a mortgagee, servicing organization, or property tax processing organization wishes to appeal the charges required for a duplicate copy of a tax bill, it may request the Director to direct the tax collector to make a refund of an amount paid for a duplicate copy of a tax bill in accordance with the following procedure:

1. The requestor shall make the request on the Request for Review form (ME-5).
2. The submission shall include all necessary explanations and documentation, including correspondence and the reasons why the charges are believed to be improper. A copy of the form and documentation shall be sent to the tax collector.
3. The tax collector shall have the right to submit, in writing, any correspondence or other materials disputing the requestors reasons and justifying why the charges should be sustained within 30 days of receipt of the Request for Review.
4. Upon receipt of all documentation, the Director will make a determination or will conduct a formal review prior to deciding this matter. A written decision will be rendered by the Director to the appropriate parties within 45 days of the initial request.

(d) The Director may authorize a refund of charges for a duplicate copy of a tax bill from the municipality for any reason described below:

1. No tax bill was mailed by the tax collector to either the property owner or his authorized agent.
2. The tax collector or staff lost or destroyed bills previously submitted during the payment and did not return the same when the proper self-addressed stamped envelope was provided.
3. The tax collector fails or refuses to provide information regarding the duplicate copy of the tax bill to the Director within 30 days of a request for the same.
4. By error of the tax office personnel, the bank code was removed.
5. The tax collector did not mail the duplicate bill within 15 days of receipt of a written request.

§ 5:33-4.8 Duplicate tax bill fees; appeals for reimbursement of fee charged; freezing of duplicate fee charges

6. Other circumstances under control of the municipality that prevented the tax collector from meeting the statutory or regulatory requirements for delivering tax bills, as determined to be appropriate by the Director.

History

HISTORY:

Public Notice: tax collection.

See: 25 New Jersey Register 2760(a).

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§ 5:33-4.9 Requests to deliver a mortgagor's tax bill to a property tax processing organization

(a) If a tax collector determines that a request to mail or otherwise deliver a mortgagor's tax bill to a property tax processing organization is inappropriate, the tax collector shall first attempt good faith efforts to resolve the matter with the organization. If the matter is unresolved, the tax collector shall then request the Director to review the appropriateness of the request. If a tax collector fails to request the review, the organization requesting the tax bills may file on its own behalf by following the procedure below as if it were the tax collector.

(b) The procedures for such a review shall be as follows:

1. The tax collector shall make the request on the Request for Review form (ME-5).
2. The submission shall include all necessary explanations and documentation, including correspondence and the reasons why the request is inappropriate. A copy of the form and documentation shall be sent to the property tax processing organization requesting the action.
3. The property tax processing organization shall have the right to submit, in writing, any correspondence or other materials disputing the tax collector's reasons and justifying why the tax bill should be delivered within 30 days of receipt of the Request for Review.
4. Upon receipt of all documentation, the Director will make a determination or conduct a formal review prior to deciding this matter. A written decision will be rendered by the Director to the appropriate parties within 45 days of the initial request.

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§ 5:33-4.10 Effect of RESPA

In the event of any conflict between any provisions of this subchapter and the Federal Real Estate Settlement Practices Act (RESPA), the latter shall govern. All individuals and organizations should make themselves familiar with the provisions of RESPA and the associated Federal rules.

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