

Title

FREQUENTLY ASKED ^ QUESTIONS

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How long after the entry of a final judgment of foreclosure on a tax sale certificate must we wait before we may insure the title to property which derives through it?

As a general rule, one year.

The right of redemption is the right of the owner(s) of real property (and certain interested parties, for example, mortgagees) to redeem their interest in the property upon payment of the outstanding taxes due under the certificate (including, interest, costs and penalties). The right to redeem, when properly exercised, acts to "unwind" the foreclosure proceeding re-vesting title in the foreclosed property owner. ***Although this right is available only for a limited time, it is significant because it can divest a title that derives through a tax foreclosure judgment.***

Under N.J.S.A. 54:5-104.67, an application to re-open a final judgment entered in an *in rem* tax foreclosure action may be filed within three (3) months of the date of recording of the final judgment in the county land records. A similar right exists in an *in personam* tax foreclosure proceeding, except that the application to re-open the judgment must be filed within three (3) months of the date of entry of the final judgment under N.J.S.A. 54:5-87. In addition NJ Court Rule 4:50-2 provides that a party may bring a motion to be relieved from a final judgment within one year after the entry of the judgment for a number of reasons including mistake, inadvertence, surprise, or excusable neglect, newly discovered evidence which would probably alter the judgment or order and which by due diligence could not have been discovered in time to move for a new trial, fraud, misrepresentation, or other misconduct of an adverse party.

Based upon the foregoing, it is Old Republic's policy that titles which derive through a final judgment in a tax sale certificate foreclosure in the last 12 months may not be insured without approval of a member of our underwriting staff. In no event will we insure a title in which the final judgment was entered less than 3 months prior to the anticipated transaction.

As always, feel free to address any questions to a member of our underwriting staff.