

# ASSEMBLY, No. 3915

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JUNE 20, 2016

**Sponsored by:**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**SYNOPSIS**

Establishes “Families At Risk Foreclosure Assistance Program.”

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT providing foreclosure assistance to certain single-parent  
2 families and supplementing chapter 50 of Title 2A of the New  
3 Jersey Statutes.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. This act shall be known and may be cited as the “Families At  
9 Risk Foreclosure Assistance Program.”

10  
11 2. The Legislature finds and declares:

12 a. Since the enactment in 2010 of the federal “Affordable Care  
13 Act,” New Jersey residents have a broader choice of health  
14 insurance plans to purchase to protect their families, and federal  
15 assistance in paying for that insurance; however, some New Jersey  
16 families still lack protection against the high cost of chronic, or  
17 single, episodes of serious illness suffered by their family members,  
18 many of whom are young children, that may destroy their resources.  
19 An illness resulting in this potentially devastating financial  
20 consequence is referred to as a catastrophic illness.

21 b. The cost of treatment for catastrophic illnesses can severely  
22 stress family budgets, and many families face the choice between  
23 paying for medical care for a chronically ill child, and paying their  
24 monthly mortgage and other bills. When a family is headed by a  
25 single parent, these costs can be overwhelming, and these families  
26 are oftentimes at a high risk of losing their homes.

27 c. Single-parent families of chronically ill children having a  
28 catastrophic illness should have priority access to any foreclosure  
29 mediation program created by the New Jersey Superior Court or by  
30 the State so that they can care for their seriously ill children without  
31 worrying that the cost of that care may make them homeless.

32  
33 3. As used in this section:

34 "Child" means a person 21 years of age and under, who is  
35 eligible to receive financial assistance through the “Catastrophic  
36 Illness in Children Relief Fund” established in P.L.1987, c.370  
37 (C.26:2-148 et seq.); and

38 “Qualifying parent” means an unmarried person legally  
39 domiciled within the State who is the head of a household and the  
40 parent of a child with a catastrophic illness, who owns a parcel of  
41 real property that is the primary residence of the person and of the  
42 catastrophically ill child.

43  
44 4. There is established in the New Jersey Housing and  
45 Mortgage Finance Agency a program of financial housing  
46 assistance for qualifying parents of children with catastrophic  
47 illnesses. The program, designated the “Families At Risk  
48 Foreclosure Assistance Program,” shall be funded through

1 voluntary contributions from individuals or businesses located in  
2 the State, appropriations by the Legislature; and donations by  
3 taxpayers through their New Jersey gross income tax returns, and  
4 all such funds shall be deposited into the “Families At Risk  
5 Foreclosure Assistance Fund” and used solely for the purposes of  
6 P.L. , c. (C. ) (pending before the Legislature as this bill).

7 The program shall provide grants and low-interest loans to  
8 qualifying parents who are behind on their mortgage payments, in  
9 order to make them current on those mortgage loans.

10 The program shall also provide foreclosure mediation assistance  
11 to qualified parents who are delinquent in the payment of their  
12 residential mortgage loan.

13 The parent of a child having a catastrophic illness who is eligible  
14 to receive financial assistance through the “Catastrophic Illness in  
15 Children Relief Fund” established in P.L.1987, c.370 (C.26:2-148 et  
16 seq.), who applies to participate in any foreclosure mediation  
17 program offered by any State agency, shall receive priority  
18 placement for assistance through any such program. The Executive  
19 Director of the Housing and Mortgage Finance Agency shall  
20 negotiate with the Administrative Office of the Courts to obtain, for  
21 a qualifying parent, priority placement for assistance through any  
22 foreclosure mediation program established by the Administrative  
23 Office of the Courts.

24 The submission of a mediation application by any parent under  
25 this subsection shall immediately result in a stay of foreclosure  
26 proceedings against that parent’s real property for 36 months, or the  
27 parent and the mortgage lender to reach a mediation agreement. If,  
28 at the end of the 36-month period, the parent and the mortgage  
29 lender have not reached an agreement under the foreclosure  
30 mediation program, the mortgage lender may resume the  
31 foreclosure process.

32 The Executive Director of the Housing and Mortgage Finance  
33 Agency shall promulgate regulations pursuant to the  
34 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
35 seq.) to effectuate the provisions of the program established in this  
36 section.

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38 5. a. There is established in the Department of the Treasury a  
39 special fund to be known as the "Families At Risk Foreclosure  
40 Assistance Fund.”

41 b. Each taxpayer shall have the opportunity to indicate on the  
42 taxpayer's New Jersey gross income tax return that a portion of the  
43 taxpayer's tax refund or an enclosed contribution shall be deposited  
44 in the special fund.

45 c. Any costs incurred by the Division of Taxation for collection  
46 or administration attributable to this act may be deducted from  
47 receipts collected pursuant to this act, as determined by the Director  
48 of the Division of Budget and Accounting. The State Treasurer shall

1 deposit net contributions collected pursuant to this act into the  
2 "Families At Risk Foreclosure Assistance Fund."

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4 6. This act shall take effect immediately.

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STATEMENT

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9 This bill, designated the "Families At Risk Foreclosure  
10 Assistance Program", would establish in the New Jersey Housing  
11 and Mortgage Finance Agency a program of financial housing  
12 assistance for qualifying parents of children with catastrophic  
13 illnesses, to be funded through voluntary contributions from  
14 individuals or businesses located in the State; appropriations by the  
15 Legislature; and donations by taxpayers through their New Jersey  
16 gross income tax returns, and all such funds shall be deposited into  
17 the "Families At Risk Foreclosure Assistance Fund" and used solely  
18 for the purposes of the bill.

19 Under the bill, an unmarried person legally domiciled within the  
20 State who is the head of a household, the parent of a child 21 years  
21 of age or younger with a catastrophic illness who is eligible to  
22 receive financial assistance through the "Catastrophic Illness in  
23 Children Relief Fund" established in P.L.1987, c.370 (C.26:2-148 et  
24 seq.), and who owns a parcel of real property that is the primary  
25 residence of the person and of the catastrophically ill child, would  
26 be eligible to participate in the program.

27 The program shall provide grants and low-interest loans to  
28 qualifying parents who are behind on their mortgage payments, in  
29 order to make them current on those mortgage loans.

30 The program shall also provide foreclosure mediation assistance  
31 to qualified parents who have fallen behind in the payment of their  
32 residential mortgage loan.

33 Under the bill, the parent of a child having a catastrophic illness  
34 who is eligible to receive financial assistance through the  
35 "Catastrophic Illness in Children Relief Fund" established in  
36 P.L.1987, c.370 (C.26:2-148 et seq.), who applies to participate in  
37 any foreclosure mediation program offered by any State agency,  
38 shall receive priority placement for assistance through any such  
39 program. The bill would require the Executive Director of the  
40 Housing and Mortgage Finance Agency to negotiate with the  
41 Administrative Office of the Courts to obtain, for a qualifying  
42 parent, priority placement for assistance for any foreclosure  
43 mediation program established by the Administrative Office of the  
44 Courts.

45 The submission of a mediation application by any parent under  
46 this subsection shall immediately result in a stay of foreclosure  
47 proceedings against that parent's real property until the parent and  
48 the mortgage lender reach a mediation agreement, for a period of 36

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1 months. Under the bill, if, at the end of the 36-month period, the  
2 parent and the mortgage lender have not reached an agreement  
3 under the foreclosure mediation program, the mortgage lender may  
4 resume the foreclosure process.