

ASSEMBLY, No. 1611

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes the “Student Loan Assistance and Home Purchase Act.”

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing the Student Loan Assistance and Home
2 Purchase program and supplementing Title 55 of the Revised
3 Statutes.

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

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8 1. This act shall be known and may be cited as the “New Jersey
9 Student Loan Assistance and Home Purchase Act.”

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11 2. a. The Executive Director of the New Jersey Housing and
12 Mortgage Finance Agency shall establish a Student Loan Assistance
13 and Home Purchase program to be administered by the agency,
14 which shall implement the provisions of P.L. , c. (C.) (pending
15 before the Legislature as this bill).

16 b. The Student Loan Assistance and Home Purchase program
17 shall provide financing opportunities pursuant to section 3 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill).

19 c. The executive director shall appoint a program manager to
20 oversee the implementation of the Student Loan Assistance and
21 Home Purchase program. Once appointed, the manager shall, as
22 soon as practicable, establish a list of near eligible properties that
23 are available for purchase through the program.

24 d. For the purposes of P.L. , c. (C.) (pending before the
25 Legislature as this bill), “eligible property” means foreclosed
26 residential single family homes in near move-in condition, which
27 shall be determined based on the following factors: (1) cleanliness,
28 (2) structural integrity, (3) expected maintenance costs, (4) property
29 location, and (5) general habitability.

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31 3. a. The program established pursuant to section 2 of P.L. ,
32 c. (C.) (pending before the Legislature as this bill) shall assist
33 those individuals with education-related debt to purchase a first
34 home by incorporating all or a portion of student debt held by the
35 borrower into the home loan. The program shall comply with
36 applicable federal regulations. There shall be no limit to the
37 amount of education related debt that may be incorporated into a
38 home loan, if all other federal and State requirements are satisfied.

39 b. Participants in the Student Loan Assistance and Home
40 Purchase program shall maintain the purchased home as their
41 primary residence for at least five years from the date of closing.
42 The Executive Director of the New Jersey Housing and Mortgage
43 Finance Agency shall establish penalties and fees applicable if this
44 provision is not satisfied.

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46 4. Not later than the first day of the seventh month next
47 following the effective date of P.L. , c. (C.) (pending before
48 the Legislature as this bill), the Executive Director of the New

Jersey Housing and Mortgage Finance Agency shall, pursuant to "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), establish rules and regulations to effectuate the provisions of P.L. , c. (C.) (pending before the Legislature as this bill). In addition to any regulations necessary to implement and administer the Student Loan Assistance and Home Purchase program, the regulations promulgated pursuant to this section shall include (1) eligibility requirements for individuals with education related debt to participate in the program and (2) interest rates and other penalties, charges, and fees in an amount necessary to implement the provisions of the Student Loan Assistance and Home Purchase program.

5. This act shall take effect immediately.

STATEMENT

This bill is entitled the "New Jersey Student Loan Assistance and Home Purchase Act." The purpose of the New Jersey Student Loan Assistance and Home Purchase program is to facilitate the purchase of first homes for individuals who are burdened by excessive student debt at extremely high interest rates.

Under the bill, the Executive Director of the New Jersey Housing and Mortgage Finance Agency (NJHMFA) would establish a Student Loan Assistance and Home Purchase program to be administered by the agency. The executive director would appoint a program manager to oversee the implementation of the Student Loan Assistance and Home Purchase program. Once appointed, the manager would be required to establish a list of near eligible properties that for purchase through the program.

For the purposes of the bill, "eligible property" means foreclosed residential single family homes in near move-in condition, which shall be determined based on the following factors: (1) cleanliness, (2) structural integrity, (3) expected maintenance costs, (4) property location, and (5) general habitability.

Participants in the Student Loan Assistance and Home Purchase program would be required to maintain the purchased home as their primary residence for at least five years from the date of closing. Penalties and fees would be imposed if this provision is not satisfied.

In addition to any regulations necessary to implement and administer the Student Loan Assistance and Home Purchase program, the regulations promulgated by the Executive Director of NJHMFA would include (1) eligibility requirements for individuals with education-related debt to participate in the program and (2) interest rates and other penalties, charges, and fees in an amount

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- 1 necessary to implement the provisions of the Student Loan
- 2 Assistance and Home Purchase program.