

ASSEMBLY, No. 2815

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:
Assemblywoman CAROL A. MURPHY
District 7 (Burlington)

SYNOPSIS

Authorizes HMFA to offer loans for purpose of refinancing certain residential mortgages.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the refinancing of certain residential mortgages
2 and supplementing P.L.1983, c. 530 (C.55:14K-1 et seq.).
3

4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:
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7 1. a. The New Jersey Housing and Mortgage Finance Agency
8 may establish a program to refinance residential mortgages with a
9 loan-to-value ratio greater than 95 percent at a lower interest rate, to
10 the extent feasible under current market conditions.

11 b. A homeowner may only participate in a program established
12 pursuant to this section if the mortgaged property is the principal
13 residence of the homeowner and is located in the State.

14 c. The agency may borrow money or secure credit and issue
15 negotiable bonds and secure the payment thereof, which money
16 shall be placed in a dedicated fund and used exclusively for the
17 purpose of refinancing mortgage loans as provided in subsection a.
18 of this section.

19 d. The agency may establish a priority system for the making
20 of loans pursuant to this section, utilizing factors such as loan-to-
21 value ratio, income, need, ratio of income to mortgage payments,
22 and likelihood of pending foreclosure, and also may establish
23 different maximum income levels for eligibility in the program for
24 residents of different counties.

25 e. Loans awarded pursuant to this section shall be fixed-rate
26 loans and shall be awarded for a maximum term of 40 years.
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28 2. This act shall take effect immediately.
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31 STATEMENT
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33 This bill would allow the New Jersey Housing and Mortgage
34 Finance Agency to establish a program through which homeowners
35 with residential mortgages that have a loan-to-value ratio greater
36 than 95 percent may refinance into lower interest rate mortgages.
37 This would help reduce mortgage payments for those homeowners
38 who are underwater, or close to it, on their mortgages.

39 This refinancing program would be limited to primary residences
40 in the State. The agency would be permitted to establish a priority
41 system for the making of loans under this bill.