P.L. 2021, CHAPTER 372, ***approved January 12, 2022***
Assembly, No. 6204 ***(First Reprint)***

AN ACT concerning certain emergency powers of the New Jersey Housing and Mortgage Finance Agency and supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).

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

1. a. During a state of emergency declared by the Governor pursuant to P.L.1942, c.251 (C.App. A:9-33 et seq.) and while such state of emergency is in effect, the agency may make an eligible loan to a housing sponsor for a project to finance the construction, improvement, reconstruction, renovation or rehabilitation of a project.

b. The agency, under this section, may exempt an eligible loan from the requirements of subsection c. of section 6 and paragraphs (2), (4), (5), (6), (7), and (8) of subsection a. of section 7 and subsections a., b., d., and e. of section 8 of P.L.1983, c.530 (C.55:14K-6, C.55:14K-7, and C.55:14K-8).

c. To receive an eligible loan from the agency under this section, a housing sponsor must certify, under penalty of perjury, that the eligible loan is necessary due to factors or conditions resulting from an "emergency" as such term is defined pursuant to section 3 of P.L.1953, First Sp.Sess., c.438, (C.App. A:9-33.1).

d. If a project has suffered physical damage, a housing sponsor who receives an eligible loan under this section must:

(1) make a claim or claims against all policies of insurance insuring the project; and

(2) [1]<u>Except with respect to those insurance proceeds that (a) have been authorized by the agency to be utilized for the rehabilitation of the project; or (b) have been pledged to restore the operating escrows of the project,</u>[1] assign to the agency the right to receive the proceeds of any claims made on all policies of insurance with respect to the project for the agency to credit against the outstanding principal balance of the eligible loan made under this section or against any other amounts that may be due under any eligible loan or loans made to the housing sponsor with respect to the project. Any excess amounts remaining after payment of all principal, interest and any other amounts due to the agency shall be returned to the housing sponsor within thirty days.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly ASE committee amendments adopted January 3, 2022.

2. This act shall take effect immediately.

Concerns standards for distribution of certain HMFA loans for housing projects during state of emergency.