

SENATE, No. 1546

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

Senator DAWN MARIE ADDIEGO

District 8 (Atlantic, Burlington and Camden)

SYNOPSIS

Creates housing purchase matching grant program for members of United States Armed Forces and New Jersey National Guard who have served in certain military operations.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** establishing a housing purchase matching grant program
2 for certain members of the United States Armed Forces and New
3 Jersey National Guard, supplementing and amending P.L.1983,
4 c.530, and making an appropriation.

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

8
9 1. (New section) a. The New Jersey Housing and Mortgage
10 Finance Agency shall establish a matching grant program for the
11 purposes of assisting certain members of the United States Armed
12 Forces and the New Jersey National Guard in the purchase of a
13 home. The program shall be coordinated with the Department of
14 Military and Veterans Affairs. The program may be interfaced with
15 any program currently administered by the agency for first time
16 homebuyers, but a recipient shall not be required to meet the other
17 eligibility criteria of any other homebuyer program in order to be
18 eligible to participate in the matching grant program.

19 b. Matching grants shall be made on the basis of available
20 funds to eligible military personnel on a dollar for dollar matching
21 fund basis, up to a maximum of \$10,000. The funds may be applied
22 to closing costs, equity payments, or for any other purpose which
23 assists the recipient in purchasing a home.

24 c. In order to be eligible for a matching grant, a member of the
25 United States Armed Forces or the New Jersey National Guard, at
26 the time of application, shall provide proof of:

27 (1) at least 90 days of service on active duty in Operation Noble
28 Eagle; Operation Enduring Freedom; or Operation Iraqi Freedom;

29 (2) legal residency in the State of New Jersey; and

30 (3) intent to purchase a principal residence in the State of New
31 Jersey.

32 There shall be no income eligibility for the program, however,
33 the agency may give priority to those applicants who are also
34 eligible for assistance under other programs administered by the
35 agency, such as the first time home-buyer program. Applicants shall
36 not be eligible for more than one matching grant under the program.
37 For the purposes of this act, “members of the United States Armed
38 Forces” includes both active and reserve component members.

39
40 2. (New section) The agency, in consultation with the
41 Department of Military and Veterans Affairs, shall promulgate such
42 regulations as necessary to effectuate this act in accordance with the
43 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
44 seq.).

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 thus is new matter.

1 3. Section 5 of P.L.1983, c.530 (C.55:14K-5) is amended to
2 read as follows:

3 5. In order to carry out the purposes and provisions of this act,
4 the agency, in addition to any powers granted to it elsewhere in this
5 act, shall have the following powers:

6 a. To adopt bylaws for the regulation of its affairs and the
7 conduct of its business; to adopt an official seal and alter the same
8 at pleasure; to maintain an office at such place or places within the
9 State as it may designate; to sue and be sued in its own name;

10 b. To conduct examinations and hearings and to hear testimony
11 and take proof, under oath or affirmation, at public or private
12 hearings, on any matter material for its information and necessary
13 to carry out the provisions of this act;

14 c. To issue **【subpenas】** subpoenas requiring the attendance of
15 witnesses and the production of books and papers pertinent to any
16 hearing before the agency, or before one or more of the members of
17 the agency appointed by it to conduct a hearing;

18 d. To apply to any court, having territorial jurisdiction of the
19 offense, to have punished for contempt any witness who refuses to
20 obey a **【subpena】** subpoena, or who refuses to be sworn or
21 affirmed to testify, or who is guilty of any contempt after summons
22 to appear;

23 e. To acquire by purchase, gift, foreclosure or condemnation
24 any real or personal property, or any interest therein, to enter into
25 any lease of property and to hold, sell, assign, lease, encumber,
26 mortgage or otherwise dispose of any real or personal property, or
27 any interest therein, or mortgage lien interest owned by it or under
28 its control, custody or in its possession and release or relinquish
29 any right, title, claim, lien, interest, easement or demand however
30 acquired, including any equity or right of redemption, in property
31 foreclosed by it and to do any of the foregoing by public or private
32 sale, with or without public bidding, notwithstanding the provisions
33 of any other law;

34 f. To acquire, hold, use and dispose of its income revenues,
35 funds and moneys;

36 g. To adopt rules and regulations expressly authorized by this
37 act and such additional rules and regulations as shall be necessary
38 or desirable to carry out the purposes of this act. The agency shall
39 adopt regulations which provide for consultation with housing
40 sponsors regarding the formulation of agency rules and regulations
41 governing the operation of housing projects and which require the
42 agency to consult with the affected housing sponsor prior to taking
43 any and all specific proposed agency actions relating to the
44 sponsor's housing project. The agency shall publish all rules and
45 regulations and file them with the Secretary of State;

46 h. To borrow money or secure credit on a temporary, short-
47 term, interim or long-term basis, and to issue negotiable bonds and

- 1 to secure the payment thereof and to provide for the rights of the
2 holders thereof;
- 3 i. To make and enter into and enforce all contracts and
4 agreements necessary, convenient or desirable to the performance
5 of its duties and the execution of its powers under this act, including
6 contracts or agreements with qualified financial institutions for the
7 servicing and processing of eligible loans owned by the agency;
- 8 j. To appoint and employ an executive director, who shall be
9 the chief executive officer of the agency, and additional officers,
10 who need not be members of the agency as the agency deems
11 advisable, and to employ architects, engineers, attorneys,
12 accountants, construction and financial experts and other employees
13 and agents as may be necessary in its judgment and to determine
14 their qualifications, terms of office, duties and compensation; and to
15 promote and discharge such officers, employees and agents, all
16 without regard to the provisions of Title 11 of the Revised Statutes,
17 Civil Service;
- 18 k. To contract for and to receive and accept any gifts, grants,
19 loans or contributions from any source, of money, property, labor or
20 other things of value, to be held, used and applied to carry out the
21 purposes of this act subject to the conditions upon which the grants
22 and contributions may be made, including, but not limited to, gifts
23 or grants from any department or agency of the United States or the
24 State for payment of rent supplements to eligible families or for the
25 payment in whole or in part of the interest expense for a housing
26 project or for any other purpose consistent with this act;
- 27 l. To enter into agreements to pay annual sums in lieu of taxes
28 to any political subdivision of the State with respect to any real
29 property owned or operated directly by the agency;
- 30 m. To procure insurance against any loss in connection with its
31 operations, property and other assets (including eligible loans) in
32 the amounts and from the insurers it deems desirable;
- 33 n. To the extent permitted under its contract with the holders of
34 bonds of the agency, to consent to any modification with respect to
35 rate of interest, time and payment of any installment of principal or
36 interest, security or any other terms of any loan to an institutional
37 lender, eligible loan, loan commitment, contract or agreement of
38 any kind to which the agency is a party;
- 39 o. To the extent permitted under its contract with the holders of
40 bonds of the agency, to enter into contracts with any housing
41 sponsor containing provisions enabling the housing sponsor to
42 reduce the rental or carrying charges to persons unable to pay the
43 regular schedule of charges where, by reason of other income or
44 payment from the agency, any department or agency of the United
45 States or the State, these reductions can be made without
46 jeopardizing the economic stability of the housing project;

- 1 p. To make and collect the fees and charges it determines are
2 reasonable;
- 3 q. To the extent permitted under its contract with the holders of
4 bonds of the agency, to invest and reinvest any moneys of the
5 agency not required for immediate use, including proceeds from
6 the sale of any obligations of the agency, in obligations, securities
7 or other investments as the agency deems prudent. All functions,
8 powers and duties relating to the investment or reinvestment of
9 these funds, including the purchase, sale or exchange of any
10 investments or securities may, upon the request of the agency, be
11 exercised and performed by the Director of the Division of
12 Investment in the Department of the Treasury, in accordance with
13 written directions of the agency signed by an authorized officer,
14 without regard to any other law relating to investments by the
15 Director of the Division of Investment;
- 16 r. To provide, contract or arrange for, where, by reason of the
17 financing arrangement, review of the application and proposed
18 construction of a project is required by or in behalf of any
19 department or agency of the United States, consolidated processing
20 of the application or supervision or, in the alternative, to delegate
21 the processing in whole or in part to any such department or
22 agency;
- 23 s. To make eligible loans, and to participate with any
24 department, agency or authority of the United States or of any state
25 thereof, this State, a municipality, or any banking institution,
26 foundation, labor union, insurance company, trustee or fiduciary in
27 an eligible loan, secured by a single participating mortgage, by
28 separate mortgages or by other security agreements, the interest of
29 each having equal priority as to lien in proportion to the amount of
30 the loan so secured, but which need not be equal as to interest rate,
31 time or rate of amortization or otherwise, and to undertake
32 commitments to make such loans;
- 33 t. To assess from time to time the housing needs of any
34 municipality which is experiencing housing shortages as a result of
35 the authorization of casino gaming and to address those needs when
36 planning its programs;
- 37 u. To sell any eligible loan made by the agency or any loan to
38 an institutional lender owned by the agency, at public or private
39 sale, with or without bidding, either singly or in groups, or in shares
40 of loans or shares of groups of loans, issue securities, certificates or
41 other evidence of ownership secured by such loans or groups of
42 loans, sell the same to investors, arrange for the marketing of the
43 same; and to deposit and invest the funds derived from such sales in
44 any manner authorized by this act;
- 45 v. To make commitments to purchase, and to purchase, service
46 and sell, eligible loans, pools of loans or securities based on loans,
47 insured or issued by any department or agency of the United States,

- 1 and to make loans directly upon the security of any such loan, pools
2 of loans or securities;
- 3 w. To provide such advisory consultation, training and
4 educational services as will assist in the planning, construction,
5 rehabilitation and operation of housing including but not limited to
6 assistance in community development and organization, home
7 management and advisory services for residents and to encourage
8 community organizations and local governments to assist in
9 developing housing;
- 10 x. To encourage research in and demonstration projects to
11 develop new and better techniques and methods for increasing the
12 supply, types and financing of housing and housing projects in the
13 State and to engage in these research and demonstration projects
14 and to receive and accept contributions, grants or aid, from any
15 source, public or private, including but not limited to the United
16 States and the State, for carrying out this purpose;
- 17 y. To provide to housing sponsors, through eligible loans or
18 otherwise, financing, refinancing or financial assistance for fully
19 completed, as well as partially completed, projects which may or
20 may not be occupied, if the projects meet all the requirements of
21 this act, except that, prior to the making of the mortgage loans by
22 the agency, said projects need not have complied with sections
23 7a.(9) and 42 of this act;
- 24 z. To encourage and stimulate cooperatives and other forms of
25 housing with tenant participation;
- 26 aa. To promote innovative programs for home ownership,
27 including but not limited to lease-purchase programs, employer-
28 sponsored housing programs, **[and]** tenant cooperatives, and grant
29 programs for certain members of the United States Armed Forces
30 and the New Jersey National Guard established pursuant to
31 P.L. , c. (C.) (pending before the Legislature as this bill);
- 32 bb. To set aside and designate, out of the funds that are or may
33 become available to it for the purpose of financing housing in this
34 State pursuant to the terms of this act, certain sums or proportions
35 thereof to be used for the financing of housing and home-ownership
36 opportunities, including specifically lease-purchase arrangements,
37 provided by employers to their employees through nonprofit or
38 limited-dividend corporations or associations created by employers
39 for that purpose; and to establish priority in funding, offer bonus
40 fund allocations, and institute other incentives to encourage such
41 employer-sponsored housing and home-ownership opportunities;
- 42 cc. Subject to any agreement with bondholders, to collect,
43 enforce the collection of, and foreclose on any property or collateral
44 securing its eligible loan or loans to institutional lenders and
45 acquire or take possession of such property or collateral and sell the
46 same at public or private sale, with or without bidding, and
47 otherwise deal with such collateral as may be necessary to protect
48 the interests of the agency therein;

1 dd. To administer and to enter into agreements to administer
2 programs of the federal government or any other entity which are in
3 furtherance of the purposes of this act;

4 ee. To do and perform any acts and things authorized by this act
5 under, through, or by means of its officers, agents or employees or
6 by contract with any person, firm or corporation; and

7 ff. To do any acts and things necessary or convenient to carry
8 out the powers expressly granted in this act.

9 (cf: P.L.1983, c.530, s.5)

10
11 4. There is appropriated \$2,000,000 from the General Fund to
12 the New Jersey Housing and Mortgage Finance Agency for the
13 purposes of this act.

14
15 5. This act shall take effect immediately.

16
17
18 STATEMENT

19
20 This bill establishes a matching grant program for certain
21 members of the United States Armed Forces and the New Jersey
22 National Guard to assist them in purchasing a home. The program
23 is established in the New Jersey Housing and Mortgage Finance
24 Agency in coordination with the Department of Military and
25 Veterans Affairs. The program may be interfaced with any program
26 currently administered by the agency for first time homebuyers,
27 although a recipient need not meet the other eligibility criteria of
28 any other homebuyer program in order to be entitled to participate
29 in the matching grant program. The bill defines “members of the
30 United States Armed Forces” as members in both active and reserve
31 components.

32 Matching grants shall be made on the basis of available funds to
33 eligible personnel on a dollar for dollar matching fund basis, up to a
34 maximum of \$10,000. The funds may be applied to closing costs,
35 equity payments, or for any other purpose which assists the
36 recipient in purchasing a home.

37 There shall be no income eligibility for the program; however,
38 the agency may give priority to those applicants who are also
39 eligible for assistance under other programs administered by the
40 agency, such as the first time home-buyer program. Applicants shall
41 not be eligible for more than one matching grant under the program.

42 In order to be eligible for a matching grant, a member of the
43 United States Armed Forces or the New Jersey National Guard, at
44 the time of application, must provide proof of: (1) at least 90 days
45 of service on active duty in Operation Noble Eagle, Operation

S1546 CRUZ-PEREZ, ADDIEGO

8

1 Enduring Freedom, or Operation Iraqi Freedom; (2) legal residency
2 in the State of New Jersey; and (3) intent to purchase a principal
3 residence in the State of New Jersey.

4 The bill appropriates \$2 million from the General Fund to the
5 New Jersey Housing and Mortgage Finance Agency to fund the
6 grant program.