

SENATE, No. 4263

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 9, 2021

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



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

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

14 b. The agency, under this section, may exempt an eligible loan
15 from the requirements of subsection c. of section 6 and paragraphs
16 (2), (4), (5), (6), (7), and (8) of subsection a. of section 7 and
17 subsections a., b., d., and e. of section 8 of P.L.1983, c.530
18 (C.55:14K-6, C.55:14K-7, and C.55:14K-8).

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

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

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

28 (2) assign to the agency the right to receive the proceeds of any
29 claims made on all policies of insurance with respect to the project
30 for the agency to credit against the outstanding principal balance of
31 the eligible loan made under this section or against any other
32 amounts that may be due under any eligible loan or loans made to
33 the housing sponsor with respect to the project. Any excess
34 amounts remaining after payment of all principal, interest and any
35 other amounts due to the agency shall be returned to the housing
36 sponsor within thirty days.

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38 2. This act shall take effect immediately.

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STATEMENT

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43 This bill would modify standards for the distribution of eligible
44 loans to housing sponsors for housing projects during certain states
45 of emergency.

46 Specifically, the during a state of emergency declared by the
47 Governor, this bill would expressly authorize the New Jersey
48 Housing and Mortgage Finance Agency (“HMFA”) to make eligible

1 loans to housing sponsors to finance the construction, improvement,
2 reconstruction, renovation, or rehabilitation of housing projects.
3 The bill would exempt these loans from certain terms and
4 conditions with which HMFA eligible loans ordinarily have to
5 comply. However, to receive an eligible loan under the bill, a
6 housing sponsor would be required to certify, under penalty of
7 perjury, that the eligible loan is necessary due to factors or
8 conditions resulting from an emergency, as defined in existing law.

9 If a housing project has suffered physical damage, a housing
10 sponsor who receives an eligible loan under the bill would be
11 required to: (1) make claims against all policies of insurance
12 involving the project; and (2) assign HMFA the right to receive the
13 proceeds of any claims made on all policies of insurance concerning
14 the project, so that HMFA is able to credit those proceeds against
15 the principal balance of the loan made under bill or other amounts
16 due for other eligible loans to the housing sponsor concerning the
17 project. The bill provides that any excess amounts remaining after
18 payment of all principal, interest and any other amounts due to
19 HMFA would be returned to the housing sponsor within thirty days.