

[First Reprint]

**SENATE, No. 4263**

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# **STATE OF NEW JERSEY**

## **219th LEGISLATURE**

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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 reported by the Senate Budget and Appropriations Committee on January 6, 2022, with amendments.



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.).  
4

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

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 section,  
20 a housing sponsor must certify, under penalty of perjury, that the  
21 eligible loan is necessary due to factors or conditions resulting from  
22 an “emergency” as such term is defined pursuant to section 3 of  
23 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) <sup>1</sup>Except with respect to those insurance proceeds that (a)  
29 have been authorized by the agency to be utilized for the  
30 rehabilitation of the project; or (b) have been pledged to restore the  
31 operating escrows of the project,<sup>1</sup> assign to the agency the right to  
32 receive the proceeds of any claims made on all policies of insurance  
33 with respect to the project for the agency to credit against the  
34 outstanding principal balance of the eligible loan made under this  
35 section or against any other amounts that may be due under any  
36 eligible loan or loans made to the housing sponsor with respect to  
37 the project. Any excess amounts remaining after payment of all  
38 principal, interest and any other amounts due to the agency shall be  
39 returned to the housing sponsor within thirty days.  
40

41 2. This act shall take effect immediately.

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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted January 6, 2022.