

# SENATE, No. 2300

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JUNE 6, 2016

**Sponsored by:**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Senator JENNIFER BECK**

**District 11 (Monmouth)**

**SYNOPSIS**

Ensures fairness of project deadlines, enhances transparency, and creates foreclosure protections for Superstorm Sandy victims.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/14/2016)**

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2

1 AN ACT concerning Superstorm Sandy recovery, and amending and  
2 supplementing P.L.2015, c.102.

3

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

6

7 1. Section 2 of P.L.2015, c.102 **[,]** (C.52:15D-4) is amended to  
8 read as follows:

9 2. As used in P.L.2015, c.102 (C.52:15D-3 et seq.), as amended  
10 and supplemented:

11 "Agency" means the New Jersey Housing and Mortgage Finance  
12 Agency established pursuant to section 4 of P.L.1983, c.530  
13 (C.55:14K-4).

14 "Applicant" means an individual or business that has applied for,  
15 is waiting for, or is receiving benefits under a recovery and  
16 rebuilding program, and shall include individuals who are awaiting  
17 the completion of a construction project using benefits received  
18 under a recovery and rebuilding program.

19 "Commissioner" means the Commissioner of Community  
20 Affairs.

21 "Department" means the Department of Community Affairs.

22 "Forbearance" means a period, ending November 1, 2018, during  
23 which obligations for mortgage and interest payments are  
24 suspended.

25 "FRM" means the Fund for Restoration of Multifamily Housing.

26 "Qualified contractor pool" means a listing of contractors  
27 approved by the Department of Community Affairs participating in  
28 the RREM program.

29 "LMI" means Low-to-Moderate Income and the program for  
30 which policies and procedures have been adopted by the  
31 Department of Community Affairs.

32 "Mortgage" means a mortgage, trust deed, or other security in  
33 the nature of a residential mortgage.

34 "Recovery and rebuilding program" means the use of funding  
35 provided by the federal government for the RREM and LMI  
36 programs, which are intended to help individuals rebuild and  
37 recover from Superstorm Sandy, the TBRA program, which is  
38 intended to assist renters in returning to and residing in areas  
39 impacted by Superstorm Sandy, and the FRM program, which is  
40 intended to assist developers in repairing or replacing rental  
41 housing units damaged or destroyed by Superstorm Sandy.

42 "RREM" means Reconstruction, Rehabilitation, Elevation and  
43 Mitigation.

**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       “Sandy-impacted homeowner” means a homeowner who, as of  
2 October 29, 2012, occupied a home as his or her primary residence  
3 that, as a result of Superstorm Sandy, sustained:

4       (1) damage of at least \$8,000, or

5       (2) more than one foot of water on the first floor as determined  
6 pursuant to the applicable RREM and LMI policies and procedures.

7       “Superstorm Sandy” means the major storm that made landfall in  
8 New Jersey on October 29, 2012.

9       "TBRA" means Tenant-Based Rental Assistance.

10      (cf: P.L.2015, c.102, s.2)

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12      2. Section 3 of P.L.2015, c.102 (C.52:15D-5) is amended to  
13 read as follows:

14      3. Within 60 days of the effective date of **【P.L.2015, c.102,**  
15 **(C.52:15D-3 et seq.)】** P.L. c. (pending before the Legislature as  
16 this bill), the department shall:

17      a. Provide each applicant to the RREM and LMI program with  
18 a personal timeline setting forth a general estimation of the time in  
19 which an applicant can expect to receive assistance through the  
20 RREM program and LMI program and a reasonable estimate of  
21 when the applicant can expect completion of the project for which  
22 they have requested assistance, based upon the department's past  
23 experience administering funds through the RREM program and  
24 LMI program. The timeline shall track the process of applying for  
25 assistance from the RREM and LMI programs from the time an  
26 applicant files his or her application with the department through  
27 the completion of the project for which the applicant requested  
28 assistance, and shall include:

29      (1) When the applicant should expect to receive 50 percent of  
30 the RREM grant money that the department has awarded the  
31 applicant; and

32      (2) When the applicant should expect to receive 100 percent of  
33 the RREM and LMI grant money that the department has awarded  
34 the applicant.

35      b. Provide each applicant to the RREM program and LMI  
36 program with information about the status of his or her individual  
37 application, including:

38      (1) the date on which the department received the application;

39      (2) a list of all required documents or other verifications  
40 submitted by the applicant related to the application and the date on  
41 which the department received each document; and

42      (3) a list of all documents or other verifications which still need  
43 to be submitted by the applicant in order to complete the RREM  
44 application and LMI application and the date on which each item  
45 must be received.

46      c. Upon request from an applicant to the RREM program and  
47 LMI program appealing a decision to deny the applicant benefits

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1 under the program, provide to the applicant information about the  
2 status of his or her appeal, including:

- 3 (1) the date on which the applicant filed the appeal;  
4 (2) all pending reviews of the appeal and the date of any  
5 upcoming hearings related to the appeal;  
6 (3) the department's final determination, if one is made as of the  
7 date the request for information is fulfilled, or otherwise the date on  
8 which the applicant can expect that the department will make a final  
9 determination concerning the appeal; **[and]**

10 (4) a list of all documents related to the appeal and the date on  
11 which each document was filed ; and

12 (5) an explanation of any decision to deny an application for aid,  
13 and an explanation of how to remedy the application, when  
14 possible, and continue the appeal process.

15 d. In the event the department denies an appeal by a RREM or  
16 LMI applicant, the department shall refer the applicant to a housing  
17 counselor who is certified by the federal Department of Housing  
18 and Urban Development or is part of a program established by the  
19 department to provide housing counseling to people impacted by  
20 Superstorm Sandy.

21 e. Extend the one-year deadline for completing a project  
22 following a RREM or LMI grant award date for any applicant who  
23 demonstrates that the delay is the result of:

- 24 (1) the non-performance or non-availability of the contractor, or  
25 (2) delays by the department in approving the contractor  
26 associated with the project.

27 f. Maintain an appeals process for at least six months  
28 following the effective date of P.L. c. (pending before the  
29 Legislature as this bill), open to any applicant to the RREM  
30 program who submitted an initial application by the deadline of  
31 August 1, 2013, regardless of the reason the applicant had  
32 previously withdrawn, or been denied or removed from the  
33 application process.

34 (cf: P.L.2015, c.102, s.3)

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36 3. Section 5 of P.L.2015, c.102 (C.52:15D-7) is amended to  
37 read as follows:

38 5. a. Within 180 days of the effective date of P.L.2015, c.102  
39 **[,]** (C.52:15D-3 et seq.), the department shall develop and maintain  
40 an Internet website or webpage providing information concerning  
41 recovery and rebuilding programs. At a minimum, the website  
42 shall:

- 43 (1) Allow an applicant to a recovery and rebuilding program to  
44 submit securely through the website a request for specific  
45 information on the current status of his or her application for  
46 assistance from a recovery and rebuilding program, to which the  
47 department shall respond by phone or by email within two business  
48 days.

1 (2) Provide a plain language explanation of every recovery and  
2 rebuilding program, all requirements to apply for and receive  
3 benefits, how to file appeals, and a description of the process  
4 necessary to correct any deficiency with an application.

5 (3) Provide contact information for each builder in the qualified  
6 contractor pool, including each builder's telephone number and  
7 Internet website address, and identify any builders that have been  
8 removed from the qualified contractor pool.

9 (4) Provide and update information regarding the expenditure of  
10 recovery and rebuilding program funds and related contracts on the  
11 Internet website on a monthly basis. A full and current explanation  
12 of the criteria and process by which recovery and rebuilding  
13 program applications are prioritized shall also appear on the  
14 website. Changes to program policy, information on new contractor  
15 awards, and the status of work performed pursuant to the contractor  
16 awards shall be posted on the Internet website.

17 (5) Provide information on how all recovery and rebuilding  
18 program funding has been and will be allocated on the Internet  
19 website, including information about the allocation process for all  
20 rounds of funding distribution; and:

21 (a) the total number of applications submitted for recovery and  
22 rebuilding program funding;

23 (b) the number of applicants that have received 50 percent or  
24 more of the recovery and rebuilding program grant money that the  
25 department has awarded them;

26 (c) the number of applicants that have received 100 percent of  
27 the recovery and rebuilding program grant money that the  
28 department has awarded them;

29 (d) the number of applicants that have completed recovery and  
30 rebuilding program-funded construction or elevation projects in  
31 compliance with local, State, and federal building codes and  
32 regulations; and

33 (e) the number of applicants that have received a final  
34 certificate of occupancy and grant closeout.

35 b. The department shall develop and publish on the Internet  
36 website a description of how it developed the timelines for the  
37 disbursement of recovery and rebuilding program assistance  
38 developed pursuant to sections 3, 7, and 8 of P.L.2015, c.102 **[,]**  
39 (C.52:15D-3 et seq.). The department shall allow an applicant to  
40 request his or her individualized timeline for the disbursement of  
41 program funding, developed pursuant to sections 3, 7, and 8 of  
42 P.L.2015, c.102 **[,]** (C.52:15D-3 et seq.), through the website, to  
43 which the department shall respond by phone or by email within  
44 two business days.

45 c. The department shall publish on the Internet website its  
46 quarterly goals for the disbursement of recovery and rebuilding  
47 program assistance developed pursuant to section 4 of P.L.2015,  
48 c.102 **[,]** (C.52:15D-3 et seq.).

1 d. The department shall publish on the Internet website the  
2 commissioner's report on the use of Community Development  
3 Block Grant Disaster Recovery funds and other funds that may be  
4 available for similar purposes for interim assistance submitted to  
5 the Governor and Legislature pursuant to section 6 of P.L.2015,  
6 c.102 **[,]** (C.52:15D-3 et seq.).

7 e. In addition to publishing the information as required in  
8 **[subsections a. through d. of]** this section, the department may  
9 distribute the information by any other method it deems  
10 appropriate.

11 f. (1) By the first day of the sixth month next following  
12 enactment of P.L. c. (pending before the Legislature as this  
13 bill), the department shall publicly report:

14 (a) The reason for each application denial and wait-list  
15 placement from the RREM, TBRA, and LMI programs since the  
16 beginning of the recovery effort;

17 (b) After conducting a reasonable effort to contact withdrawn  
18 applicants, the reason for each withdrawal by an applicant from the  
19 RREM, TBRA, and LMI programs since the beginning of the  
20 recovery effort; and

21 (c) Concerning application denials, wait-list placements, and  
22 withdrawals from the RREM, TBRA, and LMI programs since the  
23 beginning of the recovery effort, information on where the  
24 associated funding has been allocated.

25 (2) On a quarterly basis, beginning with the enactment of  
26 P.L. c. (pending before the Legislature as this bill), and  
27 continuing through the end of 2018, the department shall publicly  
28 report:

29 (a) The reason for each new application denial and wait-list  
30 placement from the RREM, TBRA, and LMI programs;

31 (b) After conducting a reasonable effort to contact withdrawn  
32 applicants, the reason for each new withdrawal by an applicant from  
33 the RREM, TBRA, and LMI programs; and

34 (c) Concerning new application denials, wait-list placements,  
35 and withdrawals from the RREM, TBRA, and LMI programs,  
36 information on where the associated funding is instead being  
37 allocated.

38 (cf: P.L.2015, c.102, s.5)

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40 4. Section 7 of P.L.2015, c.102 (C.52:15D-9) is amended to  
41 read as follows:

42 7. Within 60 days of the effective date of P.L.2015, c.102 **[,]**  
43 (C.52:15D-3 et seq.), the department shall:

44 a. Provide each applicant to the TBRA program with a timeline  
45 setting forth a general estimation of the time in which an applicant  
46 can expect to receive assistance through the TBRA program, based  
47 upon the department's past experience administering funds through  
48 the TBRA program. The timeline shall track the process of

1 applying for assistance from the TBRA program from the time an  
2 applicant files his or her application.

3 b. Provide each applicant to the TBRA program with  
4 information about the status of his or her individual application,  
5 including;

6 (1) the date on which the department received the application;

7 (2) a list of all required documents or other verifications  
8 submitted by the applicant related to the application and the date on  
9 which the department received each document; and

10 (3) a list of all documents or other verifications which still need  
11 to be submitted by the applicant in order to complete the TBRA  
12 application and the date on which each item must be received.

13 c. Upon request from an applicant to the TBRA program  
14 appealing a decision to deny the applicant benefits under the  
15 program, provide to the applicant information about the status of his  
16 or her appeal, including:

17 (1) the date on which the applicant filed the appeal;

18 (2) all pending reviews of the appeal and the date of any  
19 upcoming hearings related to the appeal;

20 (3) the department's final determination, if one is made as of the  
21 date the request for information is fulfilled, or otherwise the date on  
22 which the applicant can expect that the department will make a final  
23 determination concerning the appeal; **[and]**

24 (4) a list of all documents related to the appeal and the date on  
25 which each document was filed ; and

26 (5) an explanation for any decision to deny an application for  
27 aid, and, if eventual approval is still possible, an explanation for  
28 ways to remedy the application.

29 d. In the event the department denies an appeal by a TBRA  
30 applicant, the department shall refer the applicant to a housing  
31 counselor who is certified by the federal Department of Housing  
32 and Urban Development or is part of a program established by the  
33 department to provide housing counseling to people impacted by  
34 Superstorm Sandy.

35 (cf: P.L.2015, c.102, s.7)

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37 5. (New section) a. A Sandy-impacted homeowner shall be  
38 eligible for a forbearance if payments due under a mortgage were  
39 current as of August 10, 2015, the effective date of P.L.2015, c.102  
40 (C.52:15D-3 et seq.). The Sandy-impacted homeowner shall apply  
41 to the commissioner, on forms to be provided by the department, for  
42 a certification of eligibility for the forbearance under this subsection  
43 before the first day of the fifth month next following the effective  
44 date of P.L. , c. (pending before the Legislature as this bill).  
45 The commissioner shall approve or deny an application within 30  
46 days of its delivery to the commissioner. If the application is not  
47 approved or denied within 30 days of its delivery, the application  
48 shall be deemed approved.

1       b. Notwithstanding the provisions of any law, rule, or  
2 regulation to the contrary, the repayment period of any mortgage  
3 subject to the forbearance established in subsection a. of this section  
4 shall be extended by the number of months the forbearance is in  
5 effect. During the time of the forbearance and during the period  
6 constituting an extension of the mortgage, all terms and conditions  
7 of the original mortgage, except with regard to default and  
8 delinquency during forbearance, shall continue without  
9 modification, and there shall be no fees assessed for the  
10 forbearance, or penalty for early repayment.

11       c. A Sandy-impacted homeowner who was the subject of a  
12 foreclosure proceeding as of August 10, 2015, the effective date of  
13 P.L.2015, c.102 (C.52:15D-3 et seq.) shall, upon good cause shown,  
14 be awarded, by the court and upon application by the property  
15 owner, a stay in the foreclosure proceedings until November 1,  
16 2018. An application to the court by a property owner under this  
17 subsection shall be made before the first day of the fifth month next  
18 following the effective date of P.L.     , c.     (pending before the  
19 Legislature as this bill).

20       d. The commissioner shall notify as many Sandy-impacted  
21 homeowners as is reasonably possible of eligibility for a  
22 forbearance or stay of foreclosure proceedings prior to the first day  
23 of the second month next following effective date of P.L.     ,  
24 c.     (pending before the Legislature as this bill).

25       e. Sandy-impacted homeowners awarded a stay of foreclosure  
26 proceedings or forbearance under this section shall be responsible  
27 for the maintenance of the property during the stay or period of  
28 forbearance. After service of notice of any proceedings conducted  
29 to terminate forbearance, made on the mortgagor at an address  
30 determined pursuant to due diligence of the movant mortgagee or  
31 creditor to be the actual current residence of the mortgagor,  
32 providing opportunity for the mortgagor to respond and contest the  
33 proceedings, a stay of foreclosure proceedings or forbearance  
34 awarded under this section shall cease immediately upon a court's  
35 determination that the subject residential property has been  
36 abandoned by the Sandy-impacted homeowner.

37       f. Nothing in this section shall be construed as limiting the  
38 ability of a mortgagee and residential property owner to participate  
39 in a mediation sponsored by the Administrative Offices of the Court  
40 in accordance with the requirements of the mediation program.  
41 Nothing in this section shall be construed to impact property tax  
42 and insurance obligations of a property owner related to any real  
43 property in the State.

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45       6. This act shall take effect immediately.



STATEMENT

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This bill ensures the fairness of project deadlines, enhances transparency, and creates foreclosure protections for Superstorm Sandy victims.

The bill requires the Department of Community Affairs (“DCA”) to extend the deadline for project completion following a Reconstruction, Rehabilitation, Elevation and Mitigation (“RREM”) or Low-to-Moderate Income (“LMI”) program grant award date for any applicant who demonstrates that the delay has resulted from certain faults of the builder, or delays by DCA in approving the builder associated with the project.

Upon any decision to deny an application for aid under either the Tenant-Based Rental Assistance (“TBRA”), LMI, or RREM program, this bill requires DCA to provide the applicant with an explanation for the denial, and an explanation for ways to remedy the application. The bill gives DCA the responsibility to publicly report the reason for each application denial, wait-list placement, and withdrawal from the RREM, TBRA, and LMI programs since the beginning of the recovery effort, and to report the reasons for new denials, wait-list placements, and withdrawals on a quarterly basis through 2018. Concerning withdrawn applications, the public reporting requirements shall apply only after DCA has conducted a reasonable effort to contact the withdrawn applicant.

The bill also requires DCA to publicly report on where all funding associated with application denials, wait-list placements, and withdrawals has instead been allocated. The bill applies this requirement to all application denials, wait-list placements, and withdrawals since the beginning of the recovery effort, and requires ongoing reporting on a quarterly basis through the end of 2018.

The bill requires DCA to maintain a RREM appeals process for at least six months following the bill’s effective date. The appeals process shall be open to any applicant to the RREM program who submitted an initial application by the deadline of August 1, 2013, regardless of the reason the applicant had been denied or removed from the application process.

Finally, in order to address the economic crisis that many families continue to experience as a result of Superstorm Sandy, this bill offers temporary protections against foreclosure to certain Sandy victims. Under the bill, homeowners who are not in foreclosure, and who sustained at least \$8,000 worth of damage, or over one foot of water on the first floor as a result of the storm, will be authorized to apply to DCA for a certificate of eligibility for mortgage forbearance. The forbearance would establish a time period, ending November 1, 2018, during which the homeowner would not be responsible for principal or interest payments on the mortgage. The term of the mortgage would automatically extend, under the same terms, for the number of months the mortgage is in forbearance.

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1 Homeowners who are already in foreclosure litigation, and  
2 sustained at least \$8,000 worth of damage, or over one foot of water  
3 on the first floor as a result of the storm, as determined by RREM and  
4 LMI program procedures, will be authorized to apply to the court for a  
5 stay of proceedings, also to end November 1, 2018.

6 Any homeowner who is awarded a forbearance or a stay of  
7 foreclosure proceedings will continue to be responsible for property  
8 taxes, insurance, and general property maintenance. So long as the  
9 homeowner is first offered sufficient notice, a forbearance may be  
10 terminated upon a court determination that the homeowner has  
11 abandoned the property.