

[Second Reprint]

ASSEMBLY, No. 333

STATE OF NEW JERSEY
217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

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Assemblywoman ANNETTE QUIJANO

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Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Senator BRIAN P. STACK

District 33 (Hudson)

Senator JENNIFER BECK

District 11 (Monmouth)

Co-Sponsored by:

Assemblyman Holley, Assemblywomen Downey and Spencer

SYNOPSIS

Ensures project deadline fairness, enhances transparency, and establishes foreclosure protection and mortgage relief program for certain Superstorm Sandy-impacted homeowners.

CURRENT VERSION OF TEXT

As amended by the General Assembly on June 27, 2016.

(Sponsorship Updated As Of: 12/20/2016)

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
10 amended 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 ²[, ending November 1, 2018,] of
23 time² during which obligations for mortgage and interest payments
24 are 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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHO committee amendments adopted February 22, 2016.

²Assembly floor amendments adopted June 27, 2016.

1 “Sandy-impacted homeowner” means a homeowner² [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 ¹[by the Federal Emergency Management Agency] pursuant to the
7 applicable RREM and LMI policies and procedures¹] for whom one
8 or both of the following are true:

9 (1) the homeowner received rental assistance from the Federal
10 Emergency Management Agency as a result of damage to his or her
11 primary residence due to Superstorm Sandy; or

12 (2) the homeowner has been approved for assistance through the
13 RREM or LMI program².

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

16 “TBRA” means Tenant-Based Rental Assistance.

17 (cf: P.L.2015, c.102, s.2)

18
19 2. Section 3 of P.L.2015, c.102 (C.52:15D-5) is amended to
20 read as follows:

21 3. Within 60 days of the effective date of [P.L.2015, c.102,
22 (C.52:15D-3 et seq.)] P.L. c. (pending before the Legislature as
23 this bill), the department shall:

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

36 (1) When the applicant should expect to receive 50 percent of
37 the RREM grant money that the department has awarded the
38 applicant; and

39 (2) When the applicant should expect to receive 100 percent of
40 the RREM and LMI grant money that the department has awarded
41 the applicant.

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

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

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

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

8 c. Upon request from an applicant to the RREM program and
9 LMI program appealing a decision to deny the applicant benefits
10 under the program, provide to the applicant information about the
11 status of his or her appeal, including:

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

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

15 (3) the department's final determination, if one is made as of the
16 date the request for information is fulfilled, or otherwise the date on
17 which the applicant can expect that the department will make a final
18 determination concerning the appeal; **【and】**

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

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

24 d. In the event the department denies an appeal by a RREM or
25 LMI applicant, the department shall refer the applicant to a housing
26 counselor who is certified by the federal Department of Housing
27 and Urban Development or is part of a program established by the
28 department to provide housing counseling to people impacted by
29 Superstorm Sandy.

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

33 (1) the non-performance or non-availability of the contractor, or

34 (2) delays by the department in approving the contractor
35 associated with the project.

36 f. Maintain an appeals process for at least six months
37 following the effective date of P.L. c. (pending before the
38 Legislature as this bill), open to any applicant to the RREM
39 program who submitted an initial application by the deadline of
40 August 1, 2013, regardless of the reason the applicant had
41 previously withdrawn, or been denied or removed from the
42 application process.

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

44
45 3. Section 5 of P.L.2015, c.102 (C.52:15D-7) is amended to
46 read as follows:

47 5. a. Within 180 days of the effective date of P.L.2015, c.102
48 **【,】** (C.52:15D-3 et seq.), the department shall develop and maintain

1 an Internet website or webpage providing information concerning
2 recovery and rebuilding programs. At a minimum, the website
3 shall:

4 (1) Allow an applicant to a recovery and rebuilding program to
5 submit securely through the website a request for specific
6 information on the current status of his or her application for
7 assistance from a recovery and rebuilding program, to which the
8 department shall respond by phone or by email within two business
9 days.

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

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

18 (4) Provide and update information regarding the expenditure of
19 recovery and rebuilding program funds and related contracts on the
20 Internet website on a monthly basis. A full and current explanation
21 of the criteria and process by which recovery and rebuilding
22 program applications are prioritized shall also appear on the
23 website. Changes to program policy, information on new contractor
24 awards, and the status of work performed pursuant to the contractor
25 awards shall be posted on the Internet website.

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

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

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

35 (c) the number of applicants that have received 100 percent of
36 the recovery and rebuilding program grant money that the
37 department has awarded them;

38 (d) the number of applicants that have completed recovery and
39 rebuilding program-funded construction or elevation projects in
40 compliance with local, State, and federal building codes and
41 regulations; and

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

44 b. The department shall develop and publish on the Internet
45 website a description of how it developed the timelines for the
46 disbursement of recovery and rebuilding program assistance
47 developed pursuant to sections 3, 7, and 8 of P.L.2015, c.102 **[,]**
48 (C.52:15D-3 et seq.). The department shall allow an applicant to

1 request his or her individualized timeline for the disbursement of
2 program funding, developed pursuant to sections 3, 7, and 8 of
3 P.L.2015, c.102 [,] (C.52:15D-3 et seq.), through the website, to
4 which the department shall respond by phone or by email within
5 two business days.

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

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

16 e. In addition to publishing the information as required in
17 [subsections a. through d. of] this section, the department may
18 distribute the information by any other method it deems
19 appropriate.

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

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

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

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

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

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

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

43 (c) Concerning new application denials, wait-list placements,
44 and withdrawals from the RREM, TBRA, and LMI programs,
45 information on where the associated funding is instead being
46 allocated.

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

- 1 4. Section 7 of P.L.2015, c.102 (C.52:15D-9) is amended to
2 read as follows:
- 3 7. Within 60 days of the effective date of P.L.2015, c.102 **[,]**
4 (C.52:15D-3 et seq.), the department shall:
- 5 a. Provide each applicant to the TBRA program with a timeline
6 setting forth a general estimation of the time in which an applicant
7 can expect to receive assistance through the TBRA program, based
8 upon the department's past experience administering funds through
9 the TBRA program. The timeline shall track the process of
10 applying for assistance from the TBRA program from the time an
11 applicant files his or her application.
- 12 b. Provide each applicant to the TBRA program with
13 information about the status of his or her individual application,
14 including;
- 15 (1) the date on which the department received the application;
- 16 (2) a list of all required documents or other verifications
17 submitted by the applicant related to the application and the date on
18 which the department received each document; and
- 19 (3) a list of all documents or other verifications which still need
20 to be submitted by the applicant in order to complete the TBRA
21 application and the date on which each item must be received.
- 22 c. Upon request from an applicant to the TBRA program
23 appealing a decision to deny the applicant benefits under the
24 program, provide to the applicant information about the status of his
25 or her appeal, including:
- 26 (1) the date on which the applicant filed the appeal;
- 27 (2) all pending reviews of the appeal and the date of any
28 upcoming hearings related to the appeal;
- 29 (3) the department's final determination, if one is made as of the
30 date the request for information is fulfilled, or otherwise the date on
31 which the applicant can expect that the department will make a final
32 determination concerning the appeal; **[and]**
- 33 (4) a list of all documents related to the appeal and the date on
34 which each document was filed ; and
- 35 (5) an explanation for any decision to deny an application for
36 aid, and, if eventual approval is still possible, an explanation for
37 ways to remedy the application.
- 38 d. In the event the department denies an appeal by a TBRA
39 applicant, the department shall refer the applicant to a housing
40 counselor who is certified by the federal Department of Housing
41 and Urban Development or is part of a program established by the
42 department to provide housing counseling to people impacted by
43 Superstorm Sandy.
- 44 (cf: P.L.2015, c.102, s.7)
- 45
- 46 5. (New section) a. A Sandy-impacted homeowner shall be
47 eligible for a forbearance ²**[**if payments due under a mortgage were
48 current as of August 10, 2015, the effective date of P.L.2015, c.102

1 (C.52:15D-3 et seq.)¹ regardless of whether the homeowner's
2 primary residence is already the subject of a foreclosure proceeding².
3 The Sandy-impacted homeowner shall apply to the commissioner,
4 on forms to be provided by the department, for a certification of
5 eligibility for the forbearance under this subsection before the first
6 day of the ²~~["fifth"]~~ third² month next following ²~~["the effective date~~
7 ~~of P.L. , c. (pending before the Legislature as this bill)]~~ the date
8 when the commissioner makes the application available pursuant to
9 subparagraph (b) of paragraph (1) of subsection e. of this section².
10 The commissioner shall approve or deny an application within 30
11 days of its delivery to the commissioner. If the application is not
12 approved or denied within 30 days of its delivery, the application
13 shall be deemed approved.

14 b. ²The forbearance period shall conclude upon the earlier of:
15 (1) the conclusion of one year following issuance of a certificate
16 of occupancy for recovery and rebuilding program work;
17 (2) July 1, 2019; or
18 (3) regarding a property in foreclosure proceedings, upon the
19 expiration of 10 days following sheriff's sale.

20 c.² Notwithstanding the provisions of any law, rule, or
21 regulation to the contrary, the repayment period of any mortgage
22 subject to the forbearance established in subsection a. of this section
23 shall be extended by the number of months the forbearance is in
24 effect. During the time of the forbearance and during the period
25 constituting an extension of the mortgage, ¹~~["the interest rate shall~~
26 ~~be the same rate as agreed upon in the original mortgage]~~ all terms
27 and conditions of the original mortgage, except with regard to
28 default and delinquency during forbearance, shall continue without
29 modification¹, and there shall be no fees assessed for the
30 forbearance, or penalty for early repayment.

31 ²~~["c."]~~ d.² A Sandy-impacted homeowner who was the subject of
32 a foreclosure proceeding as of August 10, 2015, the effective date
33 of P.L.2015, c.102 (C.52:15D-3 et seq.) shall, upon good cause
34 shown, be awarded, by the court and upon application by the
35 property owner, a stay in the foreclosure proceedings ²~~["until~~
36 ~~November 1, 2018"]~~². An application to the court by a property
37 owner under this subsection shall be made before the first day of the
38 fifth month next following the effective date of P.L. , c.
39 (pending before the Legislature as this bill) ², unless the courts in
40 their discretion permit application submission for a longer period.
41 The receipt of rental assistance from the Federal Emergency
42 Management Agency as a result of damage to the homeowner's
43 primary residence due to Superstorm Sandy, or approval for
44 assistance through the RREM or LMI program, shall constitute
45 good cause for the award of a stay under this subsection for a period
46 concluding upon the earlier of:

1 (1) the conclusion of one year following issuance of a certificate
2 of occupancy for recovery and rebuilding program work; or

3 (2) July 1, 2019².

4 ²**[d. The commissioner shall]** e. (1) Prior to the first day of the
5 second month next following the effective date of P.L. , c.
6 (pending before the Legislature as this bill), the commissioner shall:

7 (a)² notify as many Sandy-impacted homeowners as is
8 reasonably possible of eligibility for a forbearance or stay of
9 foreclosure proceedings ²[prior to the first day of the second month
10 next following effective date of P.L. , c. (pending before the
11 Legislature as this bill).

12 e.] :

13 (b) post information on eligibility and the application process
14 for the forbearance and stay of foreclosure proceedings, and make
15 forbearance applications available, on the department's Internet
16 website;

17 (c) notify the courts of what individuals and associated
18 properties are eligible for a forbearance or stay of foreclosure
19 proceedings; and

20 (d) to the greatest extent reasonably possible, notify the State's
21 active mortgage lenders of what individuals and associated
22 properties are eligible for a forbearance or stay of foreclosure
23 proceedings.

24 (2) Upon knowledge of a homeowner's eligibility for a
25 forbearance or stay of foreclosure proceedings, the mortgage lender
26 shall notify the homeowner and the courts.

27 (3) Upon approval of a forbearance application pursuant to
28 subsection a. of this section, the commissioner shall notify the
29 applicant, the mortgage lender, and the courts.

30 f.² Sandy-impacted homeowners awarded a stay of foreclosure
31 proceedings or forbearance ², or both,² under this section shall be
32 responsible for the maintenance of the property during the stay or
33 period of forbearance ², or both². ¹**[A]** After service of notice of
34 any proceedings conducted to terminate forbearance, made on the
35 mortgagor at an address determined pursuant to due diligence of the
36 movant mortgagee or creditor to be the actual current residence of
37 the mortgagor, providing opportunity for the mortgagor to respond
38 and contest the proceedings, a¹ stay of foreclosure proceedings or
39 forbearance ², or both,² awarded under this section shall cease
40 immediately upon a court's determination that the subject
41 residential property has been abandoned by the Sandy-impacted
42 homeowner.

43 ²**[f.]** g.² Nothing in this section shall be construed as limiting
44 the ability of a mortgagee and residential property owner to
45 participate in a mediation sponsored by the Administrative Offices
46 of the Court in accordance with the requirements of the mediation
47 program. Nothing in this section shall be construed to impact

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1 property tax and insurance obligations of a property owner related
2 to any real property in the State.

3

4 6. This act shall take effect immediately.