

ASSEMBLY, No. 4226

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 8, 2020

Sponsored by:

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Co-Sponsored by:

Assemblyman Giblin

SYNOPSIS

Concerns mortgage forbearance for certain residential homeowners and protections for certain tenants and landlords during COVID-19 pandemic.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/11/2020)

A4226 TIMBERLAKE, WIMBERLY

2

1 AN ACT concerning mortgage forbearance for certain residential
2 homeowners and protections for certain tenants and landlords
3 during COVID-19 pandemic.

4

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

7

8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “Creditor” means a person or entity that holds or controls,
11 partially, wholly, indirectly, directly or in a nominee capacity, a
12 mortgage loan securing an owner-occupied residential property,
13 including, but not limited to, an originator, holder, investor,
14 assignee, successor, trust, trustee, nominee holder, Mortgage
15 Electronic Registration System, or mortgage servicer.

16 “Emergency period” means the period during which a public
17 health emergency exists as declared by the Governor in Executive
18 Order No. 103 of 2020, as extended.

19 “Impacted homeowner” means an owner or mortgagor of title to
20 a residential property, which serves as such person’s primary
21 residence, and who qualifies for a mortgage forbearance pursuant to
22 section 2 of P.L. , c. (C.) (pending before the Legislature as
23 this bill).

24 “Landlord” means any person, or agent or assignee thereof, who
25 rents or leases or offers to rent or lease, for a term of at least one-
26 month, dwelling units, except dwelling units in hotels, motels or
27 other guest houses serving transient or seasonal guests.

28 “Mortgage forbearance” or “forbearance” means a period during
29 which obligations for mortgage principal and interest payments are
30 suspended.

31 “Non-essential eviction” means an eviction other than for the
32 purpose of removing a residential tenant in the interests of justice
33 whose conduct endangers the health and safety of others.

34 “Residential property” means a property located in the State
35 rented or owned for residential purposes; provided, however, that
36 residential property shall be limited to the principal residence of a
37 person or a residential health care facility. “Residential property”
38 shall not include an investment property or residence other than a
39 primary residence; residential property taken in whole or in part as
40 collateral for a commercial loan; or a property subject to
41 condemnation or receivership.

42

43 2. a. During the emergency period, a creditor shall grant a
44 mortgage forbearance to an impacted homeowner if the impacted
45 homeowner submits a written request to the creditor affirming the
46 following:

1 (1) the mortgage loan on residential property for which a
2 mortgage forbearance is being requested pursuant to this section
3 was current with respect to payments as of February 1, 2020; and

4 (2) the impacted homeowner has suffered a negative financial
5 impact resulting from COVID-19 or the Public Health Emergency
6 or State of Emergency declared in response thereto, including but
7 not limited to a financial hardship from a reduction in hours or loss
8 of employment, loss of income or increased costs incurred in
9 necessary child care resulting from the closure of schools or caring
10 for family members who are ill due to COVID-19 or quarantined
11 due to a suspected exposure to COVID-19, or for funeral costs due
12 to COVID-19.

13 b. Upon receipt of a written request for a mortgage forbearance
14 from an impacted homeowner pursuant to subsection a. of this
15 section, a creditor shall provide to the impacted homeowner a
16 mortgage forbearance and confirmation of that forbearance in
17 writing. No additional documentation shall be required from the
18 impacted homeowner by the creditor other than the written request
19 under subsection a. of this section. The minimum initial mortgage
20 forbearance period of an impacted homeowner shall be 90 days. An
21 impacted homeowner may request, and shall be granted, a
22 subsequent forbearance period of at minimum 90 days, for a total of
23 at minimum 180 days. Fees, penalties, or interest, including
24 attorney's fees, shall not be assessed or accrue during and as a
25 result of a mortgage forbearance granted pursuant to this section.
26 Nothing in this section shall be construed to impact property tax
27 and insurance obligations of an owner related to any real property
28 in the State. A mortgagee that grants a mortgage forbearance
29 pursuant to this section shall encourage owners to seek out United
30 States Department of Housing and Urban Development certified
31 housing counseling and shall provide to the property owner
32 confirmation of the approval of the forbearance, information
33 concerning the process for forbearance, and information on how to
34 request a subsequent forbearance.

35 c. (1) Consistent with the provisions of 15 U.S.C. s.1681s-
36 2(a)(1)(F), a creditor shall not furnish negative mortgage payment
37 information to a debt collector or credit reporting agency related to
38 mortgage payments subject to a mortgage forbearance under this
39 section.

40 (2) An impacted homeowner or the Attorney General may bring
41 an action alleging a creditor has violated the provisions of this
42 subsection. Upon a finding that non-compliance by a creditor with
43 this section has occurred, a court of competent jurisdiction may:

44 (a) order the non-compliant creditor to retract the debt reported
45 to the collection or credit reporting agency, bureau, or data
46 collection facility;

47 (b) impose a fine on the non-compliant creditor, not to exceed
48 \$5,000;

1 (c) order the non-compliant creditor to pay a reasonable counsel
2 fee in connection with an impacted homeowner whose debt has
3 been reported to a collection or credit reporting agency, bureau, or
4 data collection facility;

5 (d) provide a copy of the order immediately and at no cost to the
6 impacted homeowner;

7 (e) order the non-compliant creditor to take such steps as are
8 necessary, within 30 days of the order, to rehabilitate the credit
9 record of an impacted homeowner, with a showing made to the
10 court and exact copy provided at no cost to the homeowner of the
11 efforts made in that regard; and

12 (f) order the non-compliant creditor to pay an award of damages
13 to the impacted homeowner not to exceed 25 percent of the debt
14 attempted to be collected or reported by the non-compliant creditor
15 to the collection or credit reporting agency, bureau, or data
16 collection facility, the minimum award being \$350.

17 d. During the emergency period and during any period of
18 mortgage forbearance granted pursuant to this section, a creditor
19 shall not, for the purposes of foreclosure of a residential property
20 that is not vacant, abandoned or otherwise subject to
21 P.L.2003, c.210 (C.55:19-78 et seq.):

22 (1) file a notice of a foreclosure under N.J.S.2A:15-9;

23 (2) exercise a power of sale;

24 (3) exercise a right of entry; or

25 (4) otherwise initiate a judicial or non-judicial foreclosure
26 process.

27 A deadline or time period for action by a party to a judicial or
28 non-judicial foreclosure process for a residential property filed prior
29 to the effective date of P.L. , c. (C.) (pending before the
30 Legislature as this bill) shall be tolled until the end of the
31 emergency period.

32 e. Notwithstanding the provisions of any law, rule, or
33 regulation to the contrary, the repayment period of any mortgage
34 subject to the forbearance established pursuant to this section shall
35 be extended by the number of months the forbearance is in effect.
36 The payments not made during the months of the forbearance shall
37 instead be due on a monthly basis during the period constituting an
38 extension of the mortgage, unless the property owner has chosen to
39 make these payments earlier. During the time of the forbearance,
40 and during the period constituting an extension of the mortgage, all
41 terms and conditions of the original mortgage, except with regard to
42 default and delinquency during forbearance, shall continue without
43 modification, and there shall be no fees assessed, including
44 attorney's fees, related to the forbearance or late payment, or
45 penalty for early repayment. Nothing in this section shall prohibit a
46 creditor and impacted homeowner from entering into an alternative
47 payment agreement for the payments subject to the mortgage

1 forbearance and an impacted homeowner shall have the option to
2 discontinue the mortgage forbearance at any time at the election of
3 the impacted homeowner upon written consent and a written
4 statement that they would have the rights provided herein and
5 knowingly waive those rights.

6 f. An impacted homeowner denied a forbearance under this
7 section by a creditor licensed by the Department of Banking and
8 Insurance may file a complaint with the Department of Banking and
9 Insurance. The department shall investigate the complaint and, if
10 appropriate, shall order the creditor to grant a forbearance to the
11 impacted homeowner pursuant to this section.

12 g. To the extent any provision of this section is in conflict with
13 federal law, such provision shall not apply to any mortgage loans
14 made, insured, or securitized by any agency or instrumentality of
15 the United States, any Government Sponsored Enterprise, or a
16 Federal Home Loan Bank.

17

18 3. a. Prior to the 60th day next following the end of the
19 emergency period, a landlord or owner of a residential property
20 shall not, for the purposes of a non-essential eviction for a
21 residential property:

22 (1) terminate a tenancy;

23 (2) file a summary dispossess action; or

24 (3) send any notice, including a notice to quit, requesting or
25 demanding that a tenant of a residential property vacate the
26 premises.

27 b. Prior to the 60th day next following the end of the
28 emergency period, a court having jurisdiction over an action for
29 summary dispossess shall not, in a non-essential eviction for a
30 residential property:

31 (1) accept for filing a writ, summons or complaint;

32 (2) enter a judgment or default judgment for a plaintiff for
33 possession of a residential property;

34 (3) issue warrant of removal;

35 (4) deny, upon the request of a defendant, a stay of execution, or
36 upon the request by a party, a continuance of a summary dispossess
37 case; or

38 (5) schedule a court event, including a summary dispossess trial.

39 c. A deadline or time period for action by a party to a non-
40 essential eviction for a residential property shall be tolled until the
41 60th day next following the end of the emergency period.

42 d. Nothing in this section shall relieve a tenant from the
43 obligation to pay rent or restrict a landlord's ability to recover rent
44 consistent with the provisions of section 5 of P.L. , c. (C.)
45 (pending before the Legislature as this bill).

1 4. a. Prior to the 60th day next following the end of the
2 emergency period, a landlord shall not impose a late fee for non-
3 payment of rent for a residential property.

4 b. (1) Consistent with the provisions of 15 U.S.C. s.1681s-
5 2(a)(1)(F), a landlord shall not furnish rental payment data to a
6 collection or credit reporting agency related to the non-payment of
7 rent during the emergency period and the 60 days next following
8 the end of the emergency period.

9 (2) A landlord shall not refuse to rent to a tenant or place a
10 tenant on a "blacklist" or any other list because of any record or
11 information reflecting the tenant's non-payment of rent during the
12 emergency period and the 60 days next following the end of the
13 emergency period, if the tenant provides notice and documentation
14 to the landlord establishing that:

15 (a) the tenant's rent payments were current as of February 1,
16 2020, including rent payments held in escrow due to a previous
17 landlord tenant dispute; and

18 (b) the tenant has suffered a negative financial impact resulting
19 from COVID-19 or the Public Health Emergency or State of
20 Emergency declared in response thereto, including but not limited
21 to a financial hardship from a reduction in hours or loss of
22 employment, increased costs incurred in necessary child care
23 resulting from the closure of schools or caring for family members
24 who are ill due to COVID-19 or quarantined due to a suspected
25 exposure to COVID-19, or for funeral costs due to COVID-19.

26 c. A tenant or the Attorney General may bring an action
27 alleging a landlord has violated the provisions of subsection b. of
28 this section concerning the furnishing of information to a collection
29 or credit reporting agency. Upon a finding that non-compliance by
30 a landlord with subsection b. of this section has occurred, a court of
31 competent jurisdiction may:

32 (1) order the non-compliant landlord to retract the debt reported
33 to the collection or credit reporting agency, bureau, or data
34 collection facility;

35 (2) impose a fine on the non-compliant landlord, not to exceed
36 \$5,000 per tenant;

37 (3) order the non-compliant landlord to pay a reasonable counsel
38 fee in connection with a tenant whose debt has been reported to a
39 collection or credit reporting agency, bureau, or data collection
40 facility;

41 (4) provide a copy of the order immediately and at no cost to the
42 impacted homeowner;

43 (5) order the non-compliant landlord to take such steps as are
44 necessary, within 30 days of the order, to rehabilitate the credit
45 record of a tenant, with a showing made to the court, and exact copy
46 provided to the tenant at no cost, of the efforts made in that regard;
47 and

1 (6) order the non-compliant landlord to pay an award of
2 damages to the tenant not to exceed 25 percent of the debt
3 attempted to be collected or reported by the non-compliant landlord
4 to the collection or credit reporting agency, bureau, or data
5 collection facility, the minimum award being \$350.

6
7 5. a. In order to avoid mass evictions and widespread
8 homelessness following the conclusion of the moratorium on
9 evictions required by section 3 of P.L. , c. (C.) (pending
10 before the Legislature as this bill), a tenant and landlord shall enter
11 into an agreement pursuant to subsection d. of this section, which
12 shall be an addendum to the lease agreement, for the repayment of
13 any partial or full rent payments not made during the emergency
14 period and the 60 days next following the end of the emergency
15 period, provided the tenant's rent payments were current including
16 payments held in escrow as of the effective date of Executive Order
17 No. 106 of 2020. During the repayment period, a landlord shall not
18 impose any late fees or any other fees, including attorney's fees, for
19 rent payments not made during the emergency period and the 60
20 days next following the end of the emergency period.

21 b. The Department of Community Affairs shall, as soon as
22 practicable following the effective date of P.L. , c. (pending
23 before the Legislature as this bill), prepare and make available on
24 its Internet website a statement of the rights and responsibilities of
25 tenants and landlords for the repayment of missed rent payments
26 pursuant to this section and an explanation of, and model template
27 for, the default repayment plans available pursuant to subsection d.
28 of this section. This statement and templates shall be printed in the
29 English, Spanish, Arabic, French, Russian, Korean, Chinese, and
30 Vietnamese languages. Every landlord shall distribute one copy of
31 the statement and templates prepared and made available pursuant
32 to this subsection to each of their tenants within 10 business days
33 after it has been made available by the department, and landlords
34 may not demand payment of unpaid rent until after the statement
35 and templates have been distributed to each tenant.

36 c. (1) Within 10 business days following the conclusion of the
37 60 days next following the end of the emergency period, a landlord
38 shall calculate all partial or full rent payments legally owed and not
39 made during the emergency period and the 60 days next following
40 the end of the emergency period by each tenant liable for rent
41 repayment pursuant to subsection a. of this section. After
42 determining the amount of the missed payments and applying all
43 credits, if any, due to the tenant, the landlord shall provide each
44 tenant with a written notice, using the template to be prepared and
45 made available on its website by the department, of the amount
46 owed by the tenant in a form that specifies, in detail, the amount
47 claimed to be due and an itemization of all credits to which the

1 tenant is entitled. All amounts shall be legal and in compliance
2 with all applicable laws, including local rent control ordinances.

3 (2) If the tenant does not agree with the amount claimed due, the
4 notice shall provide that the tenant shall notify the landlord within
5 25 days after the date on which the rent and arrearage repayments
6 are to commence; provided, however, that the tenant shall still
7 begin repayment of missed rent pursuant to the repayment
8 agreement. The tenant may assert any and all additional objections
9 to the amount claimed due, including diminished habitability,
10 payment by the tenant or by others on behalf of the tenant, or other
11 legal and equitable setoffs or defenses. If the landlord fails to
12 demonstrate the correctness of the amount assessed of rent due and
13 owing by the tenant, then the landlord shall refund any incorrectly
14 assessed amount paid by the tenant plus a penalty of 20 percent of
15 such amount.

16 d. Any unpaid rent during the emergency period shall be paid
17 in accordance with whichever repayment plan set forth in
18 paragraphs (1) and (2) of this subsection results in the lowest
19 monthly payments for the tenant, or a plan agreed to between the
20 landlord and tenant so long as that plan has lower monthly
21 payments than either option in paragraphs (1) or (2) of this
22 subsection.

23 (1) Repayment Plan A shall provide that any unpaid rent during
24 the emergency period shall be repaid in equal installments over the
25 remainder of the lease and shall constitute no more than 10 percent
26 of the tenant's net household income after taxes. The surrender of
27 property by the tenant shall not relieve the tenant from the
28 obligation to pay any rent missed during the emergency period or
29 restrict a landlord's ability to recover such rent.

30 (2) Repayment Plan B shall provide a tenant with six months to
31 repay each months' rent that was unpaid, whether in full or in part,
32 during the emergency period. The surrender of property by the
33 tenant shall not relieve the tenant from the obligation to pay any
34 rent missed during the emergency period or restrict a landlord's
35 ability to recover such rent.

36 e. The subsection d. agreement shall be deemed null and void
37 upon full payment of the monies stipulated in the agreement.
38 Nothing in this section shall prohibit a landlord from filing an
39 action for eviction for the failure to pay rent in accordance with a
40 repayment plan in effect pursuant to subsection a. or b. of this
41 section after the eviction moratorium period required by section 3
42 of P.L. , c. (C.) (pending before the Legislature as this
43 bill) has ended.

44 f. Any payments made for or on behalf of a tenant by other
45 entities, including government agencies, non-profit organizations,
46 or in any other manner, shall be credited against the amount due
47 from that tenant.

1 g. The landlord is encouraged to pass on any financial relief
2 obtained by the landlord from local, state, federal or private
3 financial relief, including mortgage forbearance, to be applied as a
4 credit for the months received to the tenant.

5 h. In any dispute, the Courts may consider whether other forms
6 of local, state, federal or private financial relief obtained by the
7 landlord, including mortgage forbearance, shall impact the payment
8 period or payments required, or automatically require tenants to
9 receive without application a level of rent reduction related to such
10 financial relief.

11
12 6. The powers granted and duties imposed by this act shall be
13 construed to be independent and severable. If any provision of this
14 act or the application thereof to any person or circumstance is held
15 invalid, the invalidity shall not affect other provisions or
16 applications of the sections which can be given effect without the
17 invalid provision or application, and to this end the provisions of
18 this act are severable. All laws and parts of law in conflict with any
19 of the provisions of this act are hereby repealed, to the extent so in
20 conflict.

21
22 7. This act shall not apply to individuals who gross more than
23 \$150,000 household income after hardship.

24
25 8. This act shall take effect immediately.

26
27
28 STATEMENT

29
30 This bill provides protections to certain homeowners, tenants,
31 and landlords during the COVID-19 pandemic emergency period.
32 Under the bill, “emergency period” means the period during which
33 a public health emergency exists as declared by the Governor in
34 Executive Order No. 103 of 2020, as extended.

35 The bill provides that, during the emergency period, a creditor is
36 required to grant a mortgage forbearance to an impacted
37 homeowner if the impacted homeowner submits a written request to
38 the creditor affirming the following:

39 (1) the mortgage loan on residential property for which a
40 mortgage forbearance is being requested pursuant to this section
41 was current with respect to payments as of February 1, 2020; and

42 (2) the impacted homeowner has suffered a negative financial
43 impact resulting from COVID-19 or the Public Health Emergency
44 or State of Emergency declared in response thereto, including but
45 not limited to a financial hardship from a reduction in hours or loss
46 of employment, loss of income or increased costs incurred in

1 necessary child care resulting from the closure of schools or caring
2 for family members who are ill due to COVID-19 or quarantined
3 due to a suspected exposure to COVID-19, or for funeral costs due
4 to COVID-19.

5 Upon receipt of a written request for a mortgage forbearance
6 from an impacted homeowner pursuant to the provisions of the bill,
7 a creditor is to provide to the impacted homeowner a mortgage
8 forbearance and confirmation of that forbearance in writing.

9 The minimum initial mortgage forbearance period of an
10 impacted homeowner is to be 90 days. An impacted homeowner
11 may request, and is to be granted, a subsequent forbearance period
12 of at minimum 90 days, for a total of at minimum 180 days. Fees,
13 penalties, or interest, including attorney's fees, shall not be assessed
14 or accrue during and as a result of a mortgage forbearance granted
15 pursuant to this section.

16 Consistent with federal law, the bill provides that a creditor shall
17 not furnish negative mortgage payment information to a debt
18 collector or credit reporting agency related to mortgage payments
19 subject to a mortgage forbearance under the bill. An impacted
20 homeowner or the Attorney General may bring an action alleging a
21 creditor has violated the provisions of the bill.

22 Under the bill, the repayment period of any mortgage subject to
23 the forbearance established pursuant to this section shall be
24 extended by the number of months the forbearance is in effect. The
25 payments not made during the months of the forbearance shall
26 instead be due on a monthly basis during the period constituting an
27 extension of the mortgage, unless the property owner has chosen to
28 make these payments earlier.

29 An impacted homeowner denied a forbearance under the bill by a
30 creditor licensed by the Department of Banking and Insurance may
31 file a complaint with the Department of Banking and Insurance.
32 The department shall investigate the complaint and, if appropriate,
33 shall order the creditor to grant a forbearance to the impacted
34 homeowner.

35 The bill also provides that, prior to the 60th day next following
36 the end of the emergency period, a landlord or owner of a
37 residential property shall not, for the purposes of a non-essential
38 eviction for a residential property:

- 39 (1) terminate a tenancy;
40 (2) file a summary dispossess action; or
41 (3) send any notice, including a notice to quit, requesting or
42 demanding that a tenant of a residential property vacate the
43 premises.

44 Prior to the 60th day next following the end of the emergency
45 period, a court having jurisdiction over an action for summary
46 dispossess shall not, in a non-essential eviction for a residential
47 property:

- 1 (1) accept for filing a writ, summons or complaint;
- 2 (2) enter a judgment or default judgment for a plaintiff for
3 possession of a residential property;
- 4 (3) issue warrant of removal;
- 5 (4) deny, upon the request of a defendant, a stay of execution, or
6 upon the request by a party, a continuance of a summary dispossess
7 case; or
- 8 (5) schedule a court event, including a summary dispossess trial.

9 The bill also provides that, prior to the 60th day next following
10 the end of the emergency period, a landlord shall not impose a late
11 fee for non-payment of rent for a residential property.

12 Consistent with federal law, a landlord is required not to furnish
13 rental payment data to a collection or credit reporting agency
14 related to the non-payment of rent during the emergency period and
15 the 60 days next following the end of the emergency period, and no
16 landlord shall refuse to rent to a tenant and place a renter on a
17 “blacklist” or any list because of any record or information
18 reflecting the tenant’s non-payment of rent during the emergency
19 period and the 60 days next following the end of the emergency
20 period, if the tenant provides notice and documentation to the
21 landlord establishing that:

- 22 (1) the tenant’s rent payments were current as of February 1,
23 2020, including rent payments held in escrow due to a previous
24 landlord tenant dispute; and
- 25 (2) the tenant has suffered a negative financial impact resulting
26 from COVID-19 or the Public Health Emergency or State of
27 Emergency declared in response thereto, including but not limited
28 to a financial hardship from a reduction in hours or loss of
29 employment, increased costs incurred in necessary child care
30 resulting from the closure of schools or caring for family members
31 who are ill due to COVID-19 or quarantined due to a suspected
32 exposure to COVID-19, or for funeral costs due to COVID-19.

33 Under the bill, a tenant or the Attorney General may bring an
34 action alleging a landlord has violated the provisions of subsection
35 b. of this section concerning the furnishing of information to a
36 collection or credit reporting agency.

37 Additionally, the bill provides that, in order to avoid mass
38 evictions and widespread homelessness following the conclusion of
39 the moratorium on evictions required under the bill, a tenant and
40 landlord shall enter into an agreement pursuant to the bill, which
41 shall be an addendum to the lease agreement, for the repayment of
42 any partial or full rent payments not made during the emergency
43 period and the 60 days next following the end of the emergency
44 period, provided the tenant’s rent payments were current including
45 payments held in escrow as of the effective date of Executive Order
46 No. 106 of 2020. During the repayment period, a landlord shall not
47 impose any late fees or any other fees, including attorney’s fees, for

1 rent payments not made during the emergency period and the 60
2 days next following the end of the emergency period.

3 Additionally, the bill requires the Department of Community
4 Affairs to prepare and make available on its Internet website a
5 statement of the rights and responsibilities of tenants and landlords
6 for the repayment of missed rent payments and an explanation of,
7 and model template for, the default repayment plans available
8 pursuant to the bill. This statement and templates shall be printed
9 in the English, Spanish, Arabic, French, Russian, Korean, Chinese,
10 and Vietnamese languages. Under the bill, every landlord is
11 required to distribute one copy of the statement and templates
12 prepared and made available to each of their tenants within 10
13 business days after it has been made available by the department,
14 and landlords may not demand payment of unpaid rent until after
15 the statement and templates have been distributed to each tenant.

16 The bill provides that, within 10 business days following the
17 conclusion of the 60 days next following the end of the emergency
18 period, a landlord is required to calculate all partial or full rent
19 payments legally owed and not made during the emergency period
20 and the 60 days next following the end of the emergency period by
21 each tenant liable for rent repayment pursuant to the bill. After
22 determining the amount of the missed payments and applying all
23 credits, if any, due to the tenant, the landlord is required to provide
24 each tenant with a written notice, using the template to be prepared
25 and made available on its website by the department, of the amount
26 owed by the tenant in a form that specifies, in detail, the amount
27 claimed to be due and an itemization of all credits to which the
28 tenant is entitled. All amounts shall be legal and in compliance
29 with all applicable laws, including local rent control ordinances.

30 If the tenant does not agree with the amount claimed due, the
31 notice shall provide that the tenant shall notify the landlord within
32 25 days after the date on which the rent and arrearage repayments
33 are to commence; provided, however, that the tenant shall still
34 begin repayment of missed rent pursuant to the repayment
35 agreement. The tenant may assert any and all additional objections
36 to the amount claimed due, including diminished habitability,
37 payment by the tenant or by others on behalf of the tenant, or other
38 legal and equitable setoffs or defenses. If the landlord fails to
39 demonstrate the correctness of the amount assessed of rent due and
40 owing by the tenant, then the landlord shall refund any incorrectly
41 assessed amount paid by the tenant plus a penalty of 20 percent of
42 such amount.

43 Any unpaid rent during the emergency period is to be paid in
44 accordance with whichever repayment plan set forth below results
45 in the lowest monthly payments for the tenant, or a plan agreed to
46 between the landlord and tenant as long as that plan has lower
47 monthly payments than either option set forth below.

1 (1) Repayment Plan A shall provide that any unpaid rent during
2 the emergency period shall be repaid in equal installments over the
3 remainder of the lease and shall constitute no more than 10 percent
4 of the tenant's net household income after taxes.

5 (2) Repayment Plan B shall provide a tenant with six months to
6 repay each months' rent that was unpaid, whether in full or in part,
7 during the emergency period. The surrender of property by the
8 tenant shall not relieve the tenant from the obligation to pay any
9 rent missed during the emergency period or restrict a landlord's
10 ability to recover such rent.