

**SENATE, No. 1978**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED FEBRUARY 25, 2020

**Sponsored by:**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Creates home purchase grant program in HMFA for certain veterans who served in federal active duty; appropriates \$2,000,000.

**CURRENT VERSION OF TEXT**

As introduced.



1   **AN ACT** establishing a home purchase grant program for certain  
2       veterans, supplementing and amending P.L.1983, c.530, and  
3       making an appropriation.

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

7  
8       1. (New section) a. The agency shall establish, in coordination  
9       with the Department of Military and Veterans Affairs, a grant  
10      program to assist certain veterans in the purchase of a home. The  
11      grant program may be interfaced with any program administered by  
12      the agency for first-time homebuyers, except that a veteran shall not  
13      be required to meet the eligibility criteria of any other homebuyer  
14      program in order to participate in the grant program established  
15      under this section.

16      b. The grant program shall provide matching grants, on the  
17      basis of available funds, to eligible veterans on a dollar-for-dollar  
18      matching basis, up to a maximum of \$10,000, except that a recipient  
19      shall not receive more than one matching grant under the program.  
20      The funds may be applied to closing costs, equity payments, or for  
21      any other purpose that assists the recipient in purchasing a home.

22      c. (1) To qualify for the grant program, a veteran shall provide  
23      to the agency, at the time of application, proof of:

24          (a) at least 90 days of service on federal active duty;

25          (b) legal residency in the State of New Jersey; and

26          (c) the intent to purchase a principal residence in the State of  
27      New Jersey.

28      (2) The agency shall not establish income eligibility  
29      requirements for the grant program. The agency may give priority  
30      to any applicant who also qualifies for assistance under any other  
31      home purchase assistance program administered by the agency,  
32      including but not limited to the first-time homebuyer program.

33      d. As used in this section:

34          “Veteran” includes any member of the United States Armed  
35      Forces, the reserve components, or the New Jersey National Guard.

36  
37      2. (New section) The agency, in consultation with the  
38      Department of Military and Veterans Affairs, shall promulgate  
39      regulations, pursuant to the “Administrative Procedure Act,”  
40      P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the provisions of  
41      P.L. , c. (C. ) (pending before the Legislature as this bill).

42  
43      3. Section 5 of P.L.1983, c.530 (C.55:14K-5) is amended to  
44      read as follows:

**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       5. In order to carry out the purposes and provisions of this act,  
2 the agency, in addition to any powers granted to it elsewhere in this  
3 act, shall have the following powers:
- 4       a. To adopt bylaws for the regulation of its affairs and the  
5 conduct of its business; to adopt an official seal and alter the same  
6 at pleasure; to maintain an office at such place or places within the  
7 State as it may designate; to sue and be sued in its own name;
- 8       b. To conduct examinations and hearings and to hear testimony  
9 and take proof, under oath or affirmation, at public or private  
10 hearings, on any matter material for its information and necessary  
11 to carry out the provisions of this act;
- 12       c. To issue **【subpenas】** subpoenas requiring the attendance of  
13 witnesses and the production of books and papers pertinent to any  
14 hearing before the agency, or before one or more of the members of  
15 the agency appointed by it to conduct a hearing;
- 16       d. To apply to any court, having territorial jurisdiction of the  
17 offense, to have punished for contempt any witness who refuses to  
18 obey a **【subpena】** subpoena, or who refuses to be sworn or  
19 affirmed to testify, or who is guilty of any contempt after summons  
20 to appear;
- 21       e. To acquire by purchase, gift, foreclosure or condemnation  
22 any real or personal property, or any interest therein, to enter into  
23 any lease of property and to hold, sell, assign, lease, encumber,  
24 mortgage or otherwise dispose of any real or personal property, or  
25 any interest therein, or mortgage lien interest owned by it or under  
26 its control, custody or in its possession and release or relinquish  
27 any right, title, claim, lien, interest, easement or demand however  
28 acquired, including any equity or right of redemption, in property  
29 foreclosed by it and to do any of the foregoing by public or private  
30 sale, with or without public bidding, notwithstanding the provisions  
31 of any other law;
- 32       f. To acquire, hold, use and dispose of its income revenues,  
33 funds and moneys;
- 34       g. To adopt rules and regulations expressly authorized by this  
35 act and such additional rules and regulations as shall be necessary  
36 or desirable to carry out the purposes of this act. The agency shall  
37 adopt regulations which provide for consultation with housing  
38 sponsors regarding the formulation of agency rules and regulations  
39 governing the operation of housing projects and which require the  
40 agency to consult with the affected housing sponsor prior to taking  
41 any and all specific proposed agency actions relating to the  
42 sponsor's housing project. The agency shall publish all rules and  
43 regulations and file them with the Secretary of State;
- 44       h. To borrow money or secure credit on a temporary, short-  
45 term, interim or long-term basis, and to issue negotiable bonds and  
46 to secure the payment thereof and to provide for the rights of the  
47 holders thereof;

- 1       i. To make and enter into and enforce all contracts and  
2 agreements necessary, convenient or desirable to the performance  
3 of its duties and the execution of its powers under this act, including  
4 contracts or agreements with qualified financial institutions for the  
5 servicing and processing of eligible loans owned by the agency;
- 6       j. To appoint and employ an executive director, who shall be  
7 the chief executive officer of the agency, and additional officers,  
8 who need not be members of the agency as the agency deems  
9 advisable, and to employ architects, engineers, attorneys,  
10 accountants, construction and financial experts and other employees  
11 and agents as may be necessary in its judgment and to determine  
12 their qualifications, terms of office, duties and compensation; and to  
13 promote and discharge such officers, employees and agents, all  
14 without regard to the provisions of Title 11 of the Revised Statutes,  
15 Civil Service;
- 16       k. To contract for and to receive and accept any gifts, grants,  
17 loans or contributions from any source, of money, property, labor or  
18 other things of value, to be held, used and applied to carry out the  
19 purposes of this act subject to the conditions upon which the grants  
20 and contributions may be made, including, but not limited to, gifts  
21 or grants from any department or agency of the United States or the  
22 State for payment of rent supplements to eligible families or for the  
23 payment in whole or in part of the interest expense for a housing  
24 project or for any other purpose consistent with this act;
- 25       l. To enter into agreements to pay annual sums in lieu of taxes  
26 to any political subdivision of the State with respect to any real  
27 property owned or operated directly by the agency;
- 28       m. To procure insurance against any loss in connection with its  
29 operations, property and other assets (including eligible loans) in  
30 the amounts and from the insurers it deems desirable;
- 31       n. To the extent permitted under its contract with the holders of  
32 bonds of the agency, to consent to any modification with respect to  
33 rate of interest, time and payment of any installment of principal or  
34 interest, security or any other terms of any loan to an institutional  
35 lender, eligible loan, loan commitment, contract or agreement of  
36 any kind to which the agency is a party;
- 37       o. To the extent permitted under its contract with the holders of  
38 bonds of the agency, to enter into contracts with any housing  
39 sponsor containing provisions enabling the housing sponsor to  
40 reduce the rental or carrying charges to persons unable to pay the  
41 regular schedule of charges where, by reason of other income or  
42 payment from the agency, any department or agency of the United  
43 States or the State, these reductions can be made without  
44 jeopardizing the economic stability of the housing project;
- 45       p. To make and collect the fees and charges it determines are  
46 reasonable;
- 47       q. To the extent permitted under its contract with the holders of  
48 bonds of the agency, to invest and reinvest any moneys of the

1 agency not required for immediate use, including proceeds from the  
2 sale of any obligations of the agency, in obligations, securities or  
3 other investments as the agency deems prudent. All functions,  
4 powers and duties relating to the investment or reinvestment of  
5 these funds, including the purchase, sale or exchange of any  
6 investments or securities may, upon the request of the agency, be  
7 exercised and performed by the Director of the Division of  
8 Investment in the Department of the Treasury, in accordance with  
9 written directions of the agency signed by an authorized officer,  
10 without regard to any other law relating to investments by the  
11 Director of the Division of Investment;

12 r. To provide, contract or arrange for, where, by reason of the  
13 financing arrangement, review of the application and proposed  
14 construction of a project is required by or in behalf of any  
15 department or agency of the United States, consolidated processing  
16 of the application or supervision or, in the alternative, to delegate  
17 the processing in whole or in part to any such department or  
18 agency;

19 s. To make eligible loans, and to participate with any  
20 department, agency or authority of the United States or of any state  
21 thereof, this State, a municipality, or any banking institution,  
22 foundation, labor union, insurance company, trustee or fiduciary in  
23 an eligible loan, secured by a single participating mortgage, by  
24 separate mortgages or by other security agreements, the interest of  
25 each having equal priority as to lien in proportion to the amount of  
26 the loan so secured, but which need not be equal as to interest rate,  
27 time or rate of amortization or otherwise, and to undertake  
28 commitments to make such loans;

29 t. To assess from time to time the housing needs of any  
30 municipality which is experiencing housing shortages as a result of  
31 the authorization of casino gaming and to address those needs when  
32 planning its programs;

33 u. To sell any eligible loan made by the agency or any loan to  
34 an institutional lender owned by the agency, at public or private  
35 sale, with or without bidding, either singly or in groups, or in shares  
36 of loans or shares of groups of loans, issue securities, certificates or  
37 other evidence of ownership secured by such loans or groups of  
38 loans, sell the same to investors, arrange for the marketing of the  
39 same; and to deposit and invest the funds derived from such sales in  
40 any manner authorized by this act;

41 v. To make commitments to purchase, and to purchase, service  
42 and sell, eligible loans, pools of loans or securities based on loans,  
43 insured or issued by any department or agency of the United States,  
44 and to make loans directly upon the security of any such loan, pools  
45 of loans or securities;

46 w. To provide such advisory consultation, training and  
47 educational services as will assist in the planning, construction,  
48 rehabilitation and operation of housing including but not limited to

1 assistance in community development and organization, home  
2 management and advisory services for residents and to encourage  
3 community organizations and local governments to assist in  
4 developing housing;

5 x. To encourage research in and demonstration projects to  
6 develop new and better techniques and methods for increasing the  
7 supply, types and financing of housing and housing projects in the  
8 State and to engage in these research and demonstration projects  
9 and to receive and accept contributions, grants or aid, from any  
10 source, public or private, including but not limited to the United  
11 States and the State, for carrying out this purpose;

12 y. To provide to housing sponsors, through eligible loans or  
13 otherwise, financing, refinancing or financial assistance for fully  
14 completed, as well as partially completed, projects which may or  
15 may not be occupied, if the projects meet all the requirements of  
16 this act, except that, prior to the making of the mortgage loans by  
17 the agency, said projects need not have complied with sections  
18 7a.(9) and 42 of this act;

19 z. To encourage and stimulate cooperatives and other forms of  
20 housing with tenant participation;

21 aa. To promote innovative programs for home ownership,  
22 including but not limited to lease-purchase programs, employer-  
23 sponsored housing programs, **[and]** tenant cooperatives, and grant  
24 programs for certain veterans established pursuant to P.L. , c.  
25 (C. ) (pending before the Legislature as this bill);

26 bb. To set aside and designate, out of the funds that are or may  
27 become available to it for the purpose of financing housing in this  
28 State pursuant to the terms of this act, certain sums or proportions  
29 thereof to be used for the financing of housing and home-ownership  
30 opportunities, including specifically lease-purchase arrangements,  
31 provided by employers to their employees through nonprofit or  
32 limited-dividend corporations or associations created by employers  
33 for that purpose; and to establish priority in funding, offer bonus  
34 fund allocations, and institute other incentives to encourage such  
35 employer-sponsored housing and home-ownership opportunities;

36 cc. Subject to any agreement with bondholders, to collect,  
37 enforce the collection of, and foreclose on any property or collateral  
38 securing its eligible loan or loans to institutional lenders and  
39 acquire or take possession of such property or collateral and sell the  
40 same at public or private sale, with or without bidding, and  
41 otherwise deal with such collateral as may be necessary to protect  
42 the interests of the agency therein;

43 dd. To administer and to enter into agreements to administer  
44 programs of the federal government or any other entity which are in  
45 furtherance of the purposes of this act;

46 ee. To do and perform any acts and things authorized by this act  
47 under, through, or by means of its officers, agents or employees or  
48 by contract with any person, firm or corporation; and

1 ff. To do any acts and things necessary or convenient to carry  
2 out the powers expressly granted in this act.

3 (cf: P.L.1983, c.530, s.5)

4  
5 4. There is appropriated \$2,000,000 from the General Fund to  
6 the New Jersey Housing and Mortgage Finance Agency for the  
7 purposes of P.L. , c. (C. ) (pending before the Legislature as  
8 this bill).

9  
10 5. This act shall take effect immediately.

11  
12  
13 STATEMENT

14  
15 This bill establishes a grant program to assist certain veterans,  
16 who served in active federal duty, in the purchase of a home. This  
17 grant program would be established by the New Jersey Housing and  
18 Mortgage Finance Agency in coordination with the Department of  
19 Military and Veterans Affairs. The grant program may be  
20 interfaced with any program administered by the agency for first-  
21 time homebuyers, except that a recipient need not meet the  
22 eligibility criteria of any other homebuyer program in order to  
23 participate in the matching grant program established pursuant to  
24 the bill.

25 Under the bill, the grant program would provide matching grants  
26 to eligible veterans on a dollar-for-dollar matching fund basis, up to  
27 a maximum of \$10,000. These funds may be applied to closing  
28 costs, equity payments, or for any other purpose which assists the  
29 recipient in purchasing a home. The bill prohibits any person from  
30 receiving more than one matching grant under the program

31 To qualify for the grant program, a veteran would be required to  
32 provide, at the time of application, proof of: (1) at least 90 days of  
33 service on federal active duty; (2) legal residency in the State of  
34 New Jersey; and (3) the intent to purchase a principal residence in  
35 the State of New Jersey. Under the bill, the agency may not  
36 establish income eligibility requirements for the grant program.  
37 However, the agency may give priority to those applicants who also  
38 qualify for assistance under other programs administered by the  
39 agency, such as the first time home-buyer program.

40 The bill defines "veteran" to include any active member of any  
41 branch of the United States Armed Forces, any member of the  
42 reserve components of the United States Armed Forces, and any  
43 member of the New Jersey National Guard.

44 The bill also appropriates \$2 million from the General Fund to  
45 the New Jersey Housing and Mortgage Finance Agency to fund the  
46 grant program.