

SENATE, No. 1565

STATE OF NEW JERSEY

INTRODUCED OCTOBER 3, 1996

By Senator RICE

1 **AN ACT** concerning the New Jersey Housing and Mortgage Finance
2 Agency and amending P.L.1983, c.530.

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

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7 1. Section 4 of P.L.1983, c.530 (C.55:14K-4) is amended to read
8 as follows:

9 a. The New Jersey Housing Finance Agency, created by section 4
10 of P.L.1967, c.81 (C.55:14J-4) and the New Jersey Mortgage Finance
11 Agency created by section 4 of P.L.1970, c. 38 (C.17:1B-7) are
12 hereby consolidated into a single agency which shall be known as the
13 New Jersey Housing and Mortgage Finance Agency, which shall be
14 a continuance of the corporate existence of those agencies.

15 b. In this section, the words "original agencies" refer to the
16 agencies which are consolidated pursuant to subsection a. of this
17 section before their consolidation, and the word "agency" refers to
18 the single agency resulting from that consolidation.

19 c. All property, rights and powers of each of the original agencies
20 are hereby vested in and shall be exercised by the agency, subject,
21 however, to all pledges, covenants, agreements and trusts made or
22 created by the original agencies, respectively.

23 d. All debts, liabilities, obligations, agreements and covenants of
24 the original agencies are hereby imposed upon the agency. Any
25 property of the original agencies in which a mortgage or security
26 interest has been granted to any bondholders or other creditors of
27 either of the original agencies shall continue to be subject to that
28 mortgage or security interest until the mortgage or security interest
29 is defeased or terminated in accordance with its terms. All
30 bondholders and other creditors of the original agencies and persons
31 having claims against or contracts with the original agencies of any
32 kind or character may enforce those debts, claims and contracts
33 against the agency in the same manner as they might have against the
34 original agencies respectively, and the rights and remedies of those

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 bondholders, creditors and persons having claims or contracts shall
2 not be limited or restricted in any manner by this act.

3 e. In continuing the functions and carrying out the contracts,
4 obligations and duties of the original agencies, the agency is hereby
5 authorized to act in its own name or in the name of either of the
6 original agencies as may be convenient or advisable.

7 f. Any references to either of the original agencies in any other law
8 or regulation shall be deemed to refer to and apply to the agency.

9 g. All regulations of the original agencies shall continue to be in
10 effect as the regulations of the agency until amended, supplemented
11 or rescinded by the agency in accordance with law.

12 h. All employees of the original agencies shall become employees
13 of the agency. Nothing in this title shall affect the civil service status,
14 if any, of those employees or their rights, privileges, obligations or
15 status with respect to any pension or retirement system.

16 i. The agency is hereby established in, but not of, the Department
17 of Community Affairs and constituted a body politic and corporate and
18 an instrumentality exercising public and essential governmental
19 functions, and the exercise by the agency of the powers conferred by
20 this act shall be deemed and held to be an essential governmental
21 function of the State.

22 j. The agency shall consist of nine members as follows: the
23 Commissioner of the Department of Community Affairs, the State
24 Treasurer, the Attorney General and the Commissioner of Banking,
25 who shall be members ex officio, and [three] five members appointed
26 by the Governor with the advice and consent of the Senate for terms
27 of three years. [The three] The five members appointed by the
28 Governor shall be residents of the State and shall have knowledge in
29 the areas of housing design, construction or operation; finance;
30 urban redevelopment; or community relations. The two additional
31 members appointed pursuant to this act, and their successors, shall be
32 of different major political parties. The members first appointed by the
33 Governor shall serve for terms of one year, two years and three years
34 respectively. Each member shall hold office for the term of his
35 appointment and until his successor shall have been appointed and
36 qualified. A member of the agency shall be eligible for reappointment.

37 k. Each ex officio member of the agency may designate an officer
38 or employee of his department or agency to represent him at meetings
39 of the agency, and each designee may lawfully vote and otherwise act
40 on behalf of the member for whom he constitutes the designee. Any
41 designation shall be in writing, delivered to the agency and shall
42 continue in effect until revoked or amended by writing, delivered to
43 the agency.

44 l. Each member of the agency may be removed from office by
45 the Governor, for cause, after a public hearing and may be suspended
46 by the Governor pending the completion of such a hearing. Each

1 member of the agency before entering upon his duties shall take and
2 subscribe an oath to perform the duties of the office faithfully,
3 impartially and justly to the best of his ability. A record of these
4 oaths shall be filed in the office of the Secretary of State.

5 m. Any vacancies in the membership of the agency occurring other
6 than by expiration of term shall be filled in the same manner as the
7 original appointment, but for the unexpired term only.

8 n. The Commissioner of the Department of Community Affairs
9 shall be the chairman of the agency and the members shall elect one of
10 their number as vice-chairman thereof. The agency shall elect a
11 secretary and a treasurer who need not be members; but the same
12 person may be elected to serve both as secretary and treasurer. The
13 powers of the agency shall be vested in the members thereof in office
14 from time to time and [four] five members (which shall include at least
15 two ex officio members) of the agency shall constitute a quorum at any
16 meeting thereof. Action may be taken and motions and resolutions
17 adopted by the agency at any meeting thereof by the affirmative vote
18 of at least [four] five members of the agency, which shall include at
19 least two ex officio members. No vacancy in the membership of the
20 agency shall impair the right of a quorum to exercise all the powers
21 and perform all the duties of the agency.

22 o. A true copy of the minutes of every meeting of the agency
23 shall be forthwith delivered by and under the certification of the
24 secretary thereof to the Governor. No action taken at such meeting
25 by the agency shall have force or effect until 10 days, Saturdays,
26 Sundays, and public holidays excepted, after such copy of the minutes
27 shall have been so delivered unless during such 10-day period the
28 Governor shall approve the same in which case such action shall
29 become effective upon such approval. If, in said 10-day period, the
30 Governor returns such copy of the minutes with veto of any action
31 taken by the agency or any member thereof at such meeting, such
32 action shall be null and void and of no effect. The Governor may
33 approve all or part of the action taken at such meeting prior to the
34 expiration of the said 10-day period.

35 p. The members of the agency shall serve without compensation,
36 but the agency shall reimburse its members for actual expenses
37 necessarily incurred in the discharge of their duties.

38 q. Notwithstanding the provisions of any other law, no officer or
39 employee of the State shall be deemed to have forfeited or shall forfeit
40 his office or employment or any benefits or emoluments thereof by
41 reason of acceptance of the office of member of the agency or his
42 services in such office.

43 r. The agency may be dissolved by act of the Legislature on
44 condition that the agency has no debts or obligations outstanding or
45 provision has been made for the payment or retirement of its debts or
46 obligations. Upon dissolution of the agency all property, funds and

1 assets thereof shall be vested in the State.

2 (cf: P.L.1983, c.530, s. 4)

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4 2. This act shall take effect immediately.

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7 STATEMENT

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9 This bill increases the number of public members of the New Jersey
10 Housing and Mortgage Finance Agency from three members to five
11 members appointed by the Governor with the advice and consent of
12 the Senate. The two new members, and their successors, must
13 represent different major political parties.

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18 Increases number of public members of the HMFA.
