

TECHNICAL REVIEW:	No	
COMMITTEE STATEMENT:	ASSEMBLY: Yes	Housing Appropriations
	SENATE: No	

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	Yes
VETO MESSAGE:	Yes
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

CL/MM

P.L. 2024, CHAPTER 23, *approved June 28, 2024*
Senate, No. 1446 (*Second Reprint*)

1 AN ACT concerning housing assistance for certain homebuyers and
2 amending P.L.2023, c.78.

3

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

6

7 1. Section 1 of P.L.2023, c.78 (C.55:14K-104) is amended to
8 read as follows:

9 1. As used in P.L.2023, c.78 (C.55:14K-104 et al.):

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

13 "Commissioner" means the Commissioner of Community
14 Affairs.

15 "Department" means the Department of Community Affairs.

16 "Down payment assistance" or "assistance" means financial
17 assistance for first-time homebuyers to acquire single-family
18 housing for principal residence through the loan program.

19 "Executive director" means the Executive Director of the New
20 Jersey Housing and Mortgage Finance Agency.

21 "First-generation homebuyer" means a first-time homebuyer,
22 who is:

23 a. an individual:

24 (1) whose parents or legal guardians do not have any present
25 ownership interest in any residential real property in any state or
26 territory of the United States, or outside of the United States; and

27 (2) whose spouse ¹**[,]** or domestic partner **[**, and each member
28 of whose household**]** has not, during the **[3-year]** three-year period
29 ending upon acquisition of the eligible home to be acquired using
30 such assistance, had any present ownership interest in any
31 residential real property used as their principal residence in any
32 state or territory of the United States, or outside of the United
33 States; or

34 b. an individual who has at any time been placed in foster care
35 in the State ¹, was an emancipated youth, or was designated as a
36 homeless, unaccompanied youth pursuant to the "McKinney-Vento
37 Homeless Assistance Act," as described in 42 U.S.C. s.11434a¹.

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:

¹Senate SCU committee amendments adopted January 25, 2024.

²Senate amendments adopted in accordance with Governor's
recommendations June 28, 2024.

1 "First-time homebuyer" means a homebuyer who, in accordance
2 with **rules and regulations** guidelines adopted by the agency, **has**
3 not owned any residential real property as their principal residence
4 within the preceding three years, and **is** utilizing a mortgage
5 product offered by the agency through an agency homebuyer
6 program to purchase single-family housing, and has a gross
7 household income that does not exceed a limitation determined by
8 the agency.

9 "Loan program" means the zero-interest, forgivable loan
10 program established pursuant to section 2 of P.L.2023, c.78
11 (C.55:14K-105).

12 "Principal residence" means a homestead that is actually and
13 continually occupied as the permanent residence of a household, as
14 distinguished from a vacation home, real property owned and rented
15 or offered for rent by the household, or other secondary real
16 property holdings.

17 "Single-family housing" means a one- to four-family residence, a
18 condominium unit, a cooperative unit, a combination of a
19 manufactured housing and lot, or a manufactured housing lot.
20 (cf: P.L.2023, c.78, s.1)

21
22 2. Section 2 of P.L.2023, c.78 (C.55:14K-105) is amended to
23 read as follows:

24 2. a. There is established in the agency a zero-interest,
25 forgivable loan program to provide down payment assistance for
26 first-time homebuyers to achieve homeownership. The loan
27 program shall provide down payment assistance to defray the costs
28 associated with acquiring single-family housing for principal
29 residence, as provided for in subsection b. of this section. A first-
30 time homebuyer shall commit to use the home as their principal
31 residence for five years following the purchase of the home, and for
32 these five years retain the first mortgage product offered by the
33 agency through an agency homebuyer program. The agency shall
34 forgive the down payment assistance loan, provided that the five-
35 year commitment is satisfied and the first-time homebuyer meets
36 the other requirements established pursuant to subsection c. of this
37 section.

38 b. (1) The down payment assistance provided pursuant to this
39 section shall be in the form of a zero-interest, forgivable loan
40 award. The loan award shall be in **the** an amount **of \$15,000**
41 not to exceed \$20,000.

42 (2) In addition to a loan award that may be provided pursuant to
43 paragraph (1) of this subsection, a first-generation homebuyer shall
44 be eligible for a zero-interest, forgivable loan award of an
45 additional award amount of not less than \$7,000 and not more than
46 \$10,000 to be used for down payment assistance.

47 (3) Each first-time homebuyer who receives down payment
48 assistance through the loan program shall, prior to the award of

1 down payment assistance, complete **[not less than eight hours of]** a
2 homebuyer counseling course, as directed by the agency pursuant to
3 subsection c. of this section. The homebuyer counseling course
4 **[shall]** may include, but not be limited to, coursework concerning:

5 (a) the maintenance of housing costs, including methods for
6 budgeting mortgage payments, utility charges, property taxes, and
7 any other applicable housing cost;

8 (b) the basics of home finance, property taxes, home warranties,
9 and home inspection;

10 (c) the legal components of finalizing a home purchase; and

11 (d) the process of finding an appropriate house, including how
12 to search real estate listings through a real estate agent or other
13 sources.

14 c. The executive director shall **[promulgate rules and**
15 **regulations pursuant to the "Administrative Procedure Act,"**
16 **P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate, administer, and**
17 **accomplish the purposes of the loan program. Notwithstanding the**
18 **limitations established in section 1 of P.L.2011, c.215**
19 **(C.52:14B-3a) on the use of regulatory guidance documents, the**
20 **executive director shall prepare and disseminate guidelines or**
21 **regulatory guidance documents, on or before the first day of the**
22 **third month next following the enactment of P.L.2023, c.78**
23 **(C.55:14K-104 et al.), in advance of the adoption of rules and**
24 **regulations]** develop program guidelines to effectuate, administer,
25 and accomplish the purposes of the loan program. The guidelines **[,**
26 **guidance documents, and rules and regulations]** shall, at a
27 minimum, set forth the requirements for application submissions,
28 the criteria for application selections, the eligible uses of down
29 payment assistance, eligibility as a first-time or first-generation
30 homebuyer, and the curriculum and provision of the homebuyer
31 counseling course.

32 d. The agency shall permit an individual to establish eligibility
33 for the loan program as a first-generation homebuyer via self-
34 attestation, under penalty of perjury. However, nothing in this
35 subsection shall preclude the agency from establishing measures to
36 identify and deter fraudulent attestations. If it is established that an
37 individual has received assistance as a result of a fraudulent
38 attestation, the individual shall reimburse the agency for the
39 assistance.

40 e. A down payment assistance loan shall be recoverable as a
41 lien on the real property that the loan is used to purchase, and shall
42 have the priority of a mortgage lien.

43 f. The annual appropriations act for State fiscal year 2024 shall
44 include an appropriation from the General Fund to the loan
45 program, and the annual appropriations acts following State fiscal
46 year 2024 shall appropriate not less than \$25 million from the
47 General Fund to the agency, during each State fiscal year in which

1 the loan program remains in operation, to effectuate the purposes of
 2 the loan program, and defray the costs associated with
 3 administering the loan program, except that the agency shall retain
 4 not more than five percent of the annual appropriation for
 5 administrative costs. Of the total amount of down payment
 6 assistance funding awarded each State fiscal year through the loan
 7 program, no less than 50 percent shall be awarded to first-
 8 generation homebuyers, unless the agency determines that 50
 9 percent of the down payment assistance funding cannot be awarded
 10 to first-generation homebuyers, because too few first-generation
 11 homebuyers have applied for the loan program, in which case, more
 12 than 50 percent of the funding shall be awarded to first-time
 13 homebuyers who are not first-generation homebuyers.

14 g. No later than the 730th day next following the effective date
 15 of P.L.2023, c.78 (C.55:14K-104 et al.), the agency shall prepare
 16 and submit a report to the Governor and, pursuant to section 2 of
 17 P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The report shall
 18 analyze the efficacy of the loan program. The report shall provide
 19 an overview of the total amount of down payment assistance
 20 provided by the agency, with information by census tract on the
 21 race and ethnicity of the recipients of assistance. The report also
 22 shall analyze:

23 (1) the impact of the down payment assistance on the total
 24 housing costs of the recipients of such assistance;

25 (2) the impact of the additional loan award for first-generation
 26 homebuyers provided pursuant to paragraph (2) of subsection b. of
 27 this section, and the other components of the loan program, on first-
 28 generation homeownership; and

29 (3) any other information determined by the agency to be
 30 relevant to the costs and benefits of the loan program.

31 (cf: P.L.2023, c.78, s.2)

32

33 ²3. Notwithstanding the provisions of any law or regulation to
 34 the contrary, an amount not to exceed \$8,000,000 from the New
 35 Jersey Affordable Housing Trust Fund is appropriated to the New
 36 Jersey Housing and Mortgage Finance Agency for the Down
 37 Payment Assistance Program established pursuant to section 2 of
 38 P.L.2023, c.78 (C.55:14K-105), subject to the approval of the
 39 Director of the Division of Budget and Accounting.²

40

41 ²[3.] 4.² This act shall take effect immediately.

42

43

44

45

46 Modifies down payment assistance program for benefit of first-
 47 generation and first-time homebuyers.

CHAPTER 23

AN ACT concerning housing assistance for certain homebuyers and amending P.L.2023, c.78.

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

1. Section 1 of P.L.2023, c.78 (C.55:14K-104) is amended to read as follows:

C.55:14K-104 Definitions.

1. As used in P.L.2023, c.78 (C.55:14K-104 et al.):

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

"Commissioner" means the Commissioner of Community Affairs.

"Department" means the Department of Community Affairs.

"Down payment assistance" or "assistance" means financial assistance for first-time homebuyers to acquire single-family housing for principal residence through the loan program.

"Executive director" means the Executive Director of the New Jersey Housing and Mortgage Finance Agency.

"First-generation homebuyer" means a first-time homebuyer, who is:

a. an individual:

(1) whose parents or legal guardians do not have any present ownership interest in any residential real property in any state or territory of the United States, or outside of the United States; and

(2) whose spouse or domestic partner has not, during the three-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any present ownership interest in any residential real property used as their principal residence in any state or territory of the United States, or outside of the United States; or

b. an individual who has at any time been placed in foster care in the State, was an emancipated youth, or was designated as a homeless, unaccompanied youth pursuant to the "McKinney-Vento Homeless Assistance Act," as described in 42 U.S.C. s.11434a.

"First-time homebuyer" means a homebuyer who, in accordance with guidelines adopted by the agency, is utilizing a mortgage product offered by the agency through an agency homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by the agency.

"Loan program" means the zero-interest, forgivable loan program established pursuant to section 2 of P.L.2023, c.78 (C.55:14K-105).

"Principal residence" means a homestead that is actually and continually occupied as the permanent residence of a household, as distinguished from a vacation home, real property owned and rented or offered for rent by the household, or other secondary real property holdings.

"Single-family housing" means a one- to four-family residence, a condominium unit, a cooperative unit, a combination of a manufactured housing and lot, or a manufactured housing lot.

2. Section 2 of P.L.2023, c.78 (C.55:14K-105) is amended to read as follows:

C.55:14K-105 Zero-interest, forgivable loan program, down payment assistance; rules, regulations; report to Governor, Legislature.

2. a. There is established in the agency a zero-interest, forgivable loan program to provide down payment assistance for first-time homebuyers to achieve homeownership. The loan program shall provide down payment assistance to defray the costs associated with acquiring single-family housing for principal residence, as provided for in subsection b. of this section. A

first-time homebuyer shall commit to use the home as their principal residence for five years following the purchase of the home, and for these five years retain the first mortgage product offered by the agency through an agency homebuyer program. The agency shall forgive the down payment assistance loan, provided that the five-year commitment is satisfied and the first-time homebuyer meets the other requirements established pursuant to subsection c. of this section.

b. (1) The down payment assistance provided pursuant to this section shall be in the form of a zero-interest, forgivable loan award. The loan award shall be in an amount not to exceed \$20,000.

(2) In addition to a loan award that may be provided pursuant to paragraph (1) of this subsection, a first-generation homebuyer shall be eligible for a zero-interest, forgivable loan award of an additional award amount of not less than \$7,000 and not more than \$10,000 to be used for down payment assistance.

(3) Each first-time homebuyer who receives down payment assistance through the loan program shall, prior to the award of down payment assistance, complete a homebuyer counseling course, as directed by the agency pursuant to subsection c. of this section. The homebuyer counseling course may include, but not be limited to, coursework concerning:

(a) the maintenance of housing costs, including methods for budgeting mortgage payments, utility charges, property taxes, and any other applicable housing cost;

(b) the basics of home finance, property taxes, home warranties, and home inspection;

(c) the legal components of finalizing a home purchase; and

(d) the process of finding an appropriate house, including how to search real estate listings through a real estate agent or other sources.

c. The executive director shall develop program guidelines to effectuate, administer, and accomplish the purposes of the loan program. The guidelines shall, at a minimum, set forth the requirements for application submissions, the criteria for application selections, the eligible uses of down payment assistance, eligibility as a first-time or first-generation homebuyer, and the curriculum and provision of the homebuyer counseling course.

d. The agency shall permit an individual to establish eligibility for the loan program as a first-generation homebuyer via self-attestation, under penalty of perjury. However, nothing in this subsection shall preclude the agency from establishing measures to identify and deter fraudulent attestations. If it is established that an individual has received assistance as a result of a fraudulent attestation, the individual shall reimburse the agency for the assistance.

e. A down payment assistance loan shall be recoverable as a lien on the real property that the loan is used to purchase, and shall have the priority of a mortgage lien.

f. The annual appropriations act for State fiscal year 2024 shall include an appropriation from the General Fund to the loan program, and the annual appropriations acts following State fiscal year 2024 shall appropriate not less than \$25 million from the General Fund to the agency, during each State fiscal year in which the loan program remains in operation, to effectuate the purposes of the loan program, and defray the costs associated with administering the loan program, except that the agency shall retain not more than five percent of the annual appropriation for administrative costs. Of the total amount of down payment assistance funding awarded each State fiscal year through the loan program, no less than 50 percent shall be awarded to first-generation homebuyers, unless the agency determines that 50 percent of the down payment assistance funding cannot be awarded to first-generation homebuyers, because too few first-generation homebuyers have applied for the loan program, in which case, more than 50 percent of the funding shall be awarded to first-time homebuyers who are not first-generation homebuyers.

g. No later than the 730th day next following the effective date of P.L.2023, c.78 (C.55:14K-104 et al.), the agency shall prepare and submit a report to the Governor and,

pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The report shall analyze the efficacy of the loan program. The report shall provide an overview of the total amount of down payment assistance provided by the agency, with information by census tract on the race and ethnicity of the recipients of assistance. The report also shall analyze:

(1) the impact of the down payment assistance on the total housing costs of the recipients of such assistance;

(2) the impact of the additional loan award for first-generation homebuyers provided pursuant to paragraph (2) of subsection b. of this section, and the other components of the loan program, on first-generation homeownership; and

(3) any other information determined by the agency to be relevant to the costs and benefits of the loan program.

3. Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$8,000,000 from the New Jersey Affordable Housing Trust Fund is appropriated to the New Jersey Housing and Mortgage Finance Agency for the Down Payment Assistance Program established pursuant to section 2 of P.L.2023, c.78 (C.55:14K-105), subject to the approval of the Director of the Division of Budget and Accounting.

4. This act shall take effect immediately.

Approved June 28, 2024.

SENATE, No. 1446

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Modifies down payment assistance program for benefit of first-generation and first-time homebuyers.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 1/25/2024)

1 AN ACT concerning housing assistance for certain homebuyers and
2 amending P.L.2023, c.78.

3

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

6

7 1. Section 1 of P.L.2023, c.78 (C.55:14K-104) is amended to
8 read as follows:

9 1. As used in P.L.2023, c.78 (C.55:14K-104 et al.):

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

13 "Commissioner" means the Commissioner of Community
14 Affairs.

15 "Department" means the Department of Community Affairs.

16 "Down payment assistance" or "assistance" means financial
17 assistance for first-time homebuyers to acquire single-family
18 housing for principal residence through the loan program.

19 "Executive director" means the Executive Director of the New
20 Jersey Housing and Mortgage Finance Agency.

21 "First-generation homebuyer" means a first-time homebuyer,
22 who is:

23 a. an individual:

24 (1) whose parents or legal guardians do not have any present
25 ownership interest in any residential real property in any state or
26 territory of the United States, or outside of the United States; and

27 (2) whose spouse, or domestic partner **[**, and each member of
28 whose household**]** has not, during the **[3-year]** three-year period
29 ending upon acquisition of the eligible home to be acquired using
30 such assistance, had any present ownership interest in any
31 residential real property used as their principal residence in any
32 state or territory of the United States, or outside of the United
33 States; or

34 b. an individual who has at any time been placed in foster care
35 in the State.

36 "First-time homebuyer" means a homebuyer who, in accordance
37 with **[rules and regulations]** guidelines adopted by the agency, **[**has
38 not owned any residential real property as their principal residence
39 within the preceding three years, and**]** is utilizing a mortgage
40 product offered by the agency through an agency homebuyer
41 program to purchase single-family housing, and has a gross
42 household income that does not exceed a limitation determined by
43 the agency.

44 "Loan program" means the zero-interest, forgivable loan
45 program established pursuant to section 2 of P.L.2023, c.78
46 (C.55:14K-105).

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 "Principal residence" means a homestead that is actually and
2 continually occupied as the permanent residence of a household, as
3 distinguished from a vacation home, real property owned and rented
4 or offered for rent by the household, or other secondary real
5 property holdings.

6 "Single-family housing" means a one- to four-family residence, a
7 condominium unit, a cooperative unit, a combination of a
8 manufactured housing and lot, or a manufactured housing lot.
9 (cf: P.L.2023, c.78, s.1)

10

11 2. Section 2 of P.L.2023, c.78 (C.55:14K-105) is amended to
12 read as follows:

13 2. a. There is established in the agency a zero-interest,
14 forgivable loan program to provide down payment assistance for
15 first-time homebuyers to achieve homeownership. The loan
16 program shall provide down payment assistance to defray the costs
17 associated with acquiring single-family housing for principal
18 residence, as provided for in subsection b. of this section. A first-
19 time homebuyer shall commit to use the home as their principal
20 residence for five years following the purchase of the home, and for
21 these five years retain the first mortgage product offered by the
22 agency through an agency homebuyer program. The agency shall
23 forgive the down payment assistance loan, provided that the five-
24 year commitment is satisfied and the first-time homebuyer meets
25 the other requirements established pursuant to subsection c. of this
26 section.

27 b. (1) The down payment assistance provided pursuant to this
28 section shall be in the form of a zero-interest, forgivable loan
29 award. The loan award shall be in **【the】** an amount **【of \$15,000】**
30 not to exceed \$20,000.

31 (2) In addition to a loan award that may be provided pursuant to
32 paragraph (1) of this subsection, a first-generation homebuyer shall
33 be eligible for a zero-interest, forgivable loan award of an
34 additional award amount of not less than \$7,000 and not more than
35 \$10,000 to be used for down payment assistance.

36 (3) Each first-time homebuyer who receives down payment
37 assistance through the loan program shall, prior to the award of
38 down payment assistance, complete **【not less than eight hours of】** a
39 homebuyer counseling course, as directed by the agency pursuant to
40 subsection c. of this section. The homebuyer counseling course
41 **【shall】** may include, but not be limited to, coursework concerning:

42 (a) the maintenance of housing costs, including methods for
43 budgeting mortgage payments, utility charges, property taxes, and
44 any other applicable housing cost;

45 (b) the basics of home finance, property taxes, home warranties,
46 and home inspection;

47 (c) the legal components of finalizing a home purchase; and

- 1 (d) the process of finding an appropriate house, including how
2 to search real estate listings through a real estate agent or other
3 sources.
- 4 c. The executive director shall **【promulgate rules and**
5 **regulations pursuant to the "Administrative Procedure Act,"**
6 **P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate, administer, and**
7 **accomplish the purposes of the loan program. Notwithstanding the**
8 **limitations established in section 1 of P.L.2011, c.215**
9 **(C.52:14B-3a) on the use of regulatory guidance documents, the**
10 **executive director shall prepare and disseminate guidelines or**
11 **regulatory guidance documents, on or before the first day of the**
12 **third month next following the enactment of P.L.2023, c.78**
13 **(C.55:14K-104 et al.), in advance of the adoption of rules and**
14 **regulations】 develop program guidelines to effectuate, administer,**
15 **and accomplish the purposes of the loan program. The guidelines 【,**
16 **guidance documents, and rules and regulations】 shall, at a**
17 **minimum, set forth the requirements for application submissions,**
18 **the criteria for application selections, the eligible uses of down**
19 **payment assistance, eligibility as a first-time or first-generation**
20 **homebuyer, and the curriculum and provision of the homebuyer**
21 **counseling course.**
- 22 d. The agency shall permit an individual to establish eligibility
23 for the loan program as a first-generation homebuyer via self-
24 attestation, under penalty of perjury. However, nothing in this
25 subsection shall preclude the agency from establishing measures to
26 identify and deter fraudulent attestations. If it is established that an
27 individual has received assistance as a result of a fraudulent
28 attestation, the individual shall reimburse the agency for the
29 assistance.
- 30 e. A down payment assistance loan shall be recoverable as a
31 lien on the real property that the loan is used to purchase, and shall
32 have the priority of a mortgage lien.
- 33 f. The annual appropriations act for State fiscal year 2024 shall
34 include an appropriation from the General Fund to the loan
35 program, and the annual appropriations acts following State fiscal
36 year 2024 shall appropriate not less than \$25 million from the
37 General Fund to the agency, during each State fiscal year in which
38 the loan program remains in operation, to effectuate the purposes of
39 the loan program, and defray the costs associated with
40 administering the loan program, except that the agency shall retain
41 not more than five percent of the annual appropriation for
42 administrative costs. Of the total amount of down payment
43 assistance funding awarded each State fiscal year through the loan
44 program, no less than 50 percent shall be awarded to first-
45 generation homebuyers, unless the agency determines that 50
46 percent of the down payment assistance funding cannot be awarded
47 to first-generation homebuyers, because too few first-generation
48 homebuyers have applied for the loan program, in which case, more

1 than 50 percent of the funding shall be awarded to first-time
2 homebuyers who are not first-generation homebuyers.

3 g. No later than the 730th day next following the effective date
4 of P.L.2023, c.78 (C.55:14K-104 et al.), the agency shall prepare
5 and submit a report to the Governor and, pursuant to section 2 of
6 P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The report shall
7 analyze the efficacy of the loan program. The report shall provide
8 an overview of the total amount of down payment assistance
9 provided by the agency, with information by census tract on the
10 race and ethnicity of the recipients of assistance. The report also
11 shall analyze:

12 (1) the impact of the down payment assistance on the total
13 housing costs of the recipients of such assistance;

14 (2) the impact of the additional loan award for first-generation
15 homebuyers provided pursuant to paragraph (2) of subsection b. of
16 this section, and the other components of the loan program, on first-
17 generation homeownership; and

18 (3) any other information determined by the agency to be
19 relevant to the costs and benefits of the loan program.

20 (cf: P.L.2023, c.78, s.2)

21

22 3. This act shall take effect immediately.

23

24

25 STATEMENT

26

27 This bill would modify a down payment assistance loan program,
28 administered by the New Jersey Housing and Mortgage Finance
29 Agency (HMFA), for the benefit of first-generation and first-time
30 homebuyers.

31 The bill would modify the loan program's definition of "first-
32 generation homebuyer" so that a loan program applicant would be
33 able to meet this definition if a member of their household has
34 acquired a home in the last three years, so long as the applicant, and
35 their spouse or domestic partner, have not.

36 The bill would modify the loan program's definition of "first-
37 time homebuyer" so that the definition would not restrict ownership
38 of residential real property within the previous three years, as long
39 as an applicant is using a mortgage product offered by HMFA
40 through an HMFA homebuyer program to purchase single-family
41 housing, and has a gross household income that does not exceed a
42 limitation determined by HMFA.

43 A first-time homebuyer would be required to commit to use a
44 home purchased through the loan program as their principal
45 residence for five years following the purchase, and, and provided
46 by this bill, for these five years retain the first mortgage product
47 offered by the agency through an agency homebuyer program.

S1446 RUIZ, SINGLETON

6

1 The bill would adjust the loan award to be offered through the
2 loan program from \$15,000 to an amount not to exceed \$20,000.

3 The bill would modify a homebuyer education requirement for
4 participation in the loan program to provide HMFA with more
5 discretion over how to administer the coursework.

6 The bill would also adjust the regulatory guidance requirements
7 for the loan program, requiring HMFA to develop guidelines
8 instead of promulgating rules and regulations.

[First Reprint]

SENATE, No. 1446

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senator Moriarty

SYNOPSIS

Modifies down payment assistance program for benefit of first-generation and first-time homebuyers.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on January 25, 2024, with amendments.



(Sponsorship Updated As Of: 2/12/2024)

1 AN ACT concerning housing assistance for certain homebuyers and
2 amending P.L.2023, c.78.

3

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

6

7 1. Section 1 of P.L.2023, c.78 (C.55:14K-104) is amended to
8 read as follows:

9 1. As used in P.L.2023, c.78 (C.55:14K-104 et al.):

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

13 "Commissioner" means the Commissioner of Community
14 Affairs.

15 "Department" means the Department of Community Affairs.

16 "Down payment assistance" or "assistance" means financial
17 assistance for first-time homebuyers to acquire single-family
18 housing for principal residence through the loan program.

19 "Executive director" means the Executive Director of the New
20 Jersey Housing and Mortgage Finance Agency.

21 "First-generation homebuyer" means a first-time homebuyer,
22 who is:

23 a. an individual:

24 (1) whose parents or legal guardians do not have any present
25 ownership interest in any residential real property in any state or
26 territory of the United States, or outside of the United States; and

27 (2) whose spouse ¹**[,]**¹ or domestic partner **[,]** and each member
28 of whose household **]** has not, during the **[3-year]** three-year period
29 ending upon acquisition of the eligible home to be acquired using
30 such assistance, had any present ownership interest in any
31 residential real property used as their principal residence in any
32 state or territory of the United States, or outside of the United
33 States; or

34 b. an individual who has at any time been placed in foster care
35 in the State ¹, was an emancipated youth, or was designated as a
36 homeless, unaccompanied youth pursuant to the "McKinney-Vento
37 Homeless Assistance Act," as described in 42 U.S.C. s.11434a¹.

38 "First-time homebuyer" means a homebuyer who, in accordance
39 with **[rules and regulations]** guidelines adopted by the agency, **[has**
40 not owned any residential real property as their principal residence
41 within the preceding three years, and **]** is utilizing a mortgage
42 product offered by the agency through an agency homebuyer
43 program to purchase single-family housing, and has a gross

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:

¹Senate SCU committee amendments adopted January 25, 2024.

1 household income that does not exceed a limitation determined by
2 the agency.

3 "Loan program" means the zero-interest, forgivable loan
4 program established pursuant to section 2 of P.L.2023, c.78
5 (C.55:14K-105).

6 "Principal residence" means a homestead that is actually and
7 continually occupied as the permanent residence of a household, as
8 distinguished from a vacation home, real property owned and rented
9 or offered for rent by the household, or other secondary real
10 property holdings.

11 "Single-family housing" means a one- to four-family residence, a
12 condominium unit, a cooperative unit, a combination of a
13 manufactured housing and lot, or a manufactured housing lot.
14 (cf: P.L.2023, c.78, s.1)

15

16 2. Section 2 of P.L.2023, c.78 (C.55:14K-105) is amended to
17 read as follows:

18 2. a. There is established in the agency a zero-interest,
19 forgivable loan program to provide down payment assistance for
20 first-time homebuyers to achieve homeownership. The loan
21 program shall provide down payment assistance to defray the costs
22 associated with acquiring single-family housing for principal
23 residence, as provided for in subsection b. of this section. A first-
24 time homebuyer shall commit to use the home as their principal
25 residence for five years following the purchase of the home, and for
26 these five years retain the first mortgage product offered by the
27 agency through an agency homebuyer program. The agency shall
28 forgive the down payment assistance loan, provided that the five-
29 year commitment is satisfied and the first-time homebuyer meets
30 the other requirements established pursuant to subsection c. of this
31 section.

32 b. (1) The down payment assistance provided pursuant to this
33 section shall be in the form of a zero-interest, forgivable loan
34 award. The loan award shall be in **【the】** an amount **【of \$15,000】**
35 not to exceed \$20,000.

36 (2) In addition to a loan award that may be provided pursuant to
37 paragraph (1) of this subsection, a first-generation homebuyer shall
38 be eligible for a zero-interest, forgivable loan award of an
39 additional award amount of not less than \$7,000 and not more than
40 \$10,000 to be used for down payment assistance.

41 (3) Each first-time homebuyer who receives down payment
42 assistance through the loan program shall, prior to the award of
43 down payment assistance, complete **【not less than eight hours of】**
44 homebuyer counseling course, as directed by the agency pursuant to
45 subsection c. of this section. The homebuyer counseling course
46 **【shall】** may include, but not be limited to, coursework concerning:

- 1 (a) the maintenance of housing costs, including methods for
2 budgeting mortgage payments, utility charges, property taxes, and
3 any other applicable housing cost;
- 4 (b) the basics of home finance, property taxes, home warranties,
5 and home inspection;
- 6 (c) the legal components of finalizing a home purchase; and
- 7 (d) the process of finding an appropriate house, including how
8 to search real estate listings through a real estate agent or other
9 sources.
- 10 c. The executive director shall **promulgate** rules and
11 regulations pursuant to the "Administrative Procedure Act,"
12 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate, administer, and
13 accomplish the purposes of the loan program. Notwithstanding the
14 limitations established in section 1 of P.L.2011, c.215
15 (C.52:14B-3a) on the use of regulatory guidance documents, the
16 executive director shall prepare and disseminate guidelines or
17 regulatory guidance documents, on or before the first day of the
18 third month next following the enactment of P.L.2023, c.78
19 (C.55:14K-104 et al.), in advance of the adoption of rules and
20 regulations **develop program guidelines** to effectuate, administer,
21 and accomplish the purposes of the loan program. The guidelines **,**
22 **guidance documents, and rules and regulations** shall, at a
23 minimum, set forth the requirements for application submissions,
24 the criteria for application selections, the eligible uses of down
25 payment assistance, eligibility as a first-time or first-generation
26 homebuyer, and the curriculum and provision of the homebuyer
27 counseling course.
- 28 d. The agency shall permit an individual to establish eligibility
29 for the loan program as a first-generation homebuyer via self-
30 attestation, under penalty of perjury. However, nothing in this
31 subsection shall preclude the agency from establishing measures to
32 identify and deter fraudulent attestations. If it is established that an
33 individual has received assistance as a result of a fraudulent
34 attestation, the individual shall reimburse the agency for the
35 assistance.
- 36 e. A down payment assistance loan shall be recoverable as a
37 lien on the real property that the loan is used to purchase, and shall
38 have the priority of a mortgage lien.
- 39 f. The annual appropriations act for State fiscal year 2024 shall
40 include an appropriation from the General Fund to the loan
41 program, and the annual appropriations acts following State fiscal
42 year 2024 shall appropriate not less than \$25 million from the
43 General Fund to the agency, during each State fiscal year in which
44 the loan program remains in operation, to effectuate the purposes of
45 the loan program, and defray the costs associated with
46 administering the loan program, except that the agency shall retain
47 not more than five percent of the annual appropriation for
48 administrative costs. Of the total amount of down payment

1 assistance funding awarded each State fiscal year through the loan
2 program, no less than 50 percent shall be awarded to first-
3 generation homebuyers, unless the agency determines that 50
4 percent of the down payment assistance funding cannot be awarded
5 to first-generation homebuyers, because too few first-generation
6 homebuyers have applied for the loan program, in which case, more
7 than 50 percent of the funding shall be awarded to first-time
8 homebuyers who are not first-generation homebuyers.

9 g. No later than the 730th day next following the effective date
10 of P.L.2023, c.78 (C.55:14K-104 et al.), the agency shall prepare
11 and submit a report to the Governor and, pursuant to section 2 of
12 P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The report shall
13 analyze the efficacy of the loan program. The report shall provide
14 an overview of the total amount of down payment assistance
15 provided by the agency, with information by census tract on the
16 race and ethnicity of the recipients of assistance. The report also
17 shall analyze:

18 (1) the impact of the down payment assistance on the total
19 housing costs of the recipients of such assistance;

20 (2) the impact of the additional loan award for first-generation
21 homebuyers provided pursuant to paragraph (2) of subsection b. of
22 this section, and the other components of the loan program, on first-
23 generation homeownership; and

24 (3) any other information determined by the agency to be
25 relevant to the costs and benefits of the loan program.

26 (cf: P.L.2023, c.78, s.2)

27

28 3. This act shall take effect immediately.

[Second Reprint]

SENATE, No. 1446

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senator Moriarty, Assemblywomen Hall, Flynn, Speight, Reynolds-Jackson, Haider, Assemblymen Rodriguez, Atkins, Assemblywoman Lopez, Assemblyman Stanley, Assemblywomen Sumter, Donlon, Bagolie, Peterpaul, Morales and Swain

SYNOPSIS

Modifies down payment assistance program for benefit of first-generation and first-time homebuyers.

CURRENT VERSION OF TEXT

As amended on June 28, 2024 by the Senate pursuant to the Governor's recommendations.

(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning housing assistance for certain homebuyers and
2 amending P.L.2023, c.78.

3

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

6

7 1. Section 1 of P.L.2023, c.78 (C.55:14K-104) is amended to
8 read as follows:

9 1. As used in P.L.2023, c.78 (C.55:14K-104 et al.):

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

13 "Commissioner" means the Commissioner of Community
14 Affairs.

15 "Department" means the Department of Community Affairs.

16 "Down payment assistance" or "assistance" means financial
17 assistance for first-time homebuyers to acquire single-family
18 housing for principal residence through the loan program.

19 "Executive director" means the Executive Director of the New
20 Jersey Housing and Mortgage Finance Agency.

21 "First-generation homebuyer" means a first-time homebuyer,
22 who is:

23 a. an individual:

24 (1) whose parents or legal guardians do not have any present
25 ownership interest in any residential real property in any state or
26 territory of the United States, or outside of the United States; and

27 (2) whose spouse ¹**[,]**¹ or domestic partner **[,** and each member
28 of whose household**]** has not, during the **[3-year]** three-year period
29 ending upon acquisition of the eligible home to be acquired using
30 such assistance, had any present ownership interest in any
31 residential real property used as their principal residence in any
32 state or territory of the United States, or outside of the United
33 States; or

34 b. an individual who has at any time been placed in foster care
35 in the State ¹, was an emancipated youth, or was designated as a
36 homeless, unaccompanied youth pursuant to the "McKinney-Vento
37 Homeless Assistance Act," as described in 42 U.S.C. s.11434a¹.

38 "First-time homebuyer" means a homebuyer who, in accordance
39 with **[rules and regulations]** guidelines adopted by the agency, **[has**
40 not owned any residential real property as their principal residence
41 within the preceding three years, and**]** is utilizing a mortgage
42 product offered by the agency through an agency homebuyer

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:

¹Senate SCU committee amendments adopted January 25, 2024.

²Senate amendments adopted in accordance with Governor's recommendations June 28, 2024.

1 program to purchase single-family housing, and has a gross
2 household income that does not exceed a limitation determined by
3 the agency.

4 "Loan program" means the zero-interest, forgivable loan
5 program established pursuant to section 2 of P.L.2023, c.78
6 (C.55:14K-105).

7 "Principal residence" means a homestead that is actually and
8 continually occupied as the permanent residence of a household, as
9 distinguished from a vacation home, real property owned and rented
10 or offered for rent by the household, or other secondary real
11 property holdings.

12 "Single-family housing" means a one- to four-family residence, a
13 condominium unit, a cooperative unit, a combination of a
14 manufactured housing and lot, or a manufactured housing lot.
15 (cf: P.L.2023, c.78, s.1)

16

17 2. Section 2 of P.L.2023, c.78 (C.55:14K-105) is amended to
18 read as follows:

19 2. a. There is established in the agency a zero-interest,
20 forgivable loan program to provide down payment assistance for
21 first-time homebuyers to achieve homeownership. The loan
22 program shall provide down payment assistance to defray the costs
23 associated with acquiring single-family housing for principal
24 residence, as provided for in subsection b. of this section. A first-
25 time homebuyer shall commit to use the home as their principal
26 residence for five years following the purchase of the home, and for
27 these five years retain the first mortgage product offered by the
28 agency through an agency homebuyer program. The agency shall
29 forgive the down payment assistance loan, provided that the five-
30 year commitment is satisfied and the first-time homebuyer meets
31 the other requirements established pursuant to subsection c. of this
32 section.

33 b. (1) The down payment assistance provided pursuant to this
34 section shall be in the form of a zero-interest, forgivable loan
35 award. The loan award shall be in **【the】** an amount **【of \$15,000】**
36 not to exceed \$20,000.

37 (2) In addition to a loan award that may be provided pursuant to
38 paragraph (1) of this subsection, a first-generation homebuyer shall
39 be eligible for a zero-interest, forgivable loan award of an
40 additional award amount of not less than \$7,000 and not more than
41 \$10,000 to be used for down payment assistance.

42 (3) Each first-time homebuyer who receives down payment
43 assistance through the loan program shall, prior to the award of
44 down payment assistance, complete **【not less than eight hours of】** a
45 homebuyer counseling course, as directed by the agency pursuant to
46 subsection c. of this section. The homebuyer counseling course
47 **【shall】** may include, but not be limited to, coursework concerning:

- 1 (a) the maintenance of housing costs, including methods for
2 budgeting mortgage payments, utility charges, property taxes, and
3 any other applicable housing cost;
- 4 (b) the basics of home finance, property taxes, home warranties,
5 and home inspection;
- 6 (c) the legal components of finalizing a home purchase; and
- 7 (d) the process of finding an appropriate house, including how
8 to search real estate listings through a real estate agent or other
9 sources.
- 10 c. The executive director shall **promulgate** rules and
11 regulations pursuant to the "Administrative Procedure Act,"
12 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate, administer, and
13 accomplish the purposes of the loan program. Notwithstanding the
14 limitations established in section 1 of P.L.2011, c.215
15 (C.52:14B-3a) on the use of regulatory guidance documents, the
16 executive director shall prepare and disseminate guidelines or
17 regulatory guidance documents, on or before the first day of the
18 third month next following the enactment of P.L.2023, c.78
19 (C.55:14K-104 et al.), in advance of the adoption of rules and
20 regulations **develop program guidelines** to effectuate, administer,
21 and accomplish the purposes of the loan program. The guidelines **,**
22 **guidance documents, and rules and regulations** shall, at a
23 minimum, set forth the requirements for application submissions,
24 the criteria for application selections, the eligible uses of down
25 payment assistance, eligibility as a first-time or first-generation
26 homebuyer, and the curriculum and provision of the homebuyer
27 counseling course.
- 28 d. The agency shall permit an individual to establish eligibility
29 for the loan program as a first-generation homebuyer via self-
30 attestation, under penalty of perjury. However, nothing in this
31 subsection shall preclude the agency from establishing measures to
32 identify and deter fraudulent attestations. If it is established that an
33 individual has received assistance as a result of a fraudulent
34 attestation, the individual shall reimburse the agency for the
35 assistance.
- 36 e. A down payment assistance loan shall be recoverable as a
37 lien on the real property that the loan is used to purchase, and shall
38 have the priority of a mortgage lien.
- 39 f. The annual appropriations act for State fiscal year 2024 shall
40 include an appropriation from the General Fund to the loan
41 program, and the annual appropriations acts following State fiscal
42 year 2024 shall appropriate not less than \$25 million from the
43 General Fund to the agency, during each State fiscal year in which
44 the loan program remains in operation, to effectuate the purposes of
45 the loan program, and defray the costs associated with
46 administering the loan program, except that the agency shall retain
47 not more than five percent of the annual appropriation for
48 administrative costs. Of the total amount of down payment

1 assistance funding awarded each State fiscal year through the loan
2 program, no less than 50 percent shall be awarded to first-
3 generation homebuyers, unless the agency determines that 50
4 percent of the down payment assistance funding cannot be awarded
5 to first-generation homebuyers, because too few first-generation
6 homebuyers have applied for the loan program, in which case, more
7 than 50 percent of the funding shall be awarded to first-time
8 homebuyers who are not first-generation homebuyers.

9 g. No later than the 730th day next following the effective date
10 of P.L.2023, c.78 (C.55:14K-104 et al.), the agency shall prepare
11 and submit a report to the Governor and, pursuant to section 2 of
12 P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The report shall
13 analyze the efficacy of the loan program. The report shall provide
14 an overview of the total amount of down payment assistance
15 provided by the agency, with information by census tract on the
16 race and ethnicity of the recipients of assistance. The report also
17 shall analyze:

18 (1) the impact of the down payment assistance on the total
19 housing costs of the recipients of such assistance;

20 (2) the impact of the additional loan award for first-generation
21 homebuyers provided pursuant to paragraph (2) of subsection b. of
22 this section, and the other components of the loan program, on first-
23 generation homeownership; and

24 (3) any other information determined by the agency to be
25 relevant to the costs and benefits of the loan program.

26 (cf: P.L.2023, c.78, s.2)

27

28 ²3. Notwithstanding the provisions of any law or regulation to
29 the contrary, an amount not to exceed \$8,000,000 from the New
30 Jersey Affordable Housing Trust Fund is appropriated to the New
31 Jersey Housing and Mortgage Finance Agency for the Down
32 Payment Assistance Program established pursuant to section 2 of
33 P.L.2023, c.78 (C.55:14K-105), subject to the approval of the
34 Director of the Division of Budget and Accounting.²

35

36 ²[3.] 4.² This act shall take effect immediately.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1446

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 2024

The Assembly Housing Committee reports favorably Senate Bill No. 1446 (1R).

This bill modifies a down payment assistance loan program, administered by the New Jersey Housing and Mortgage Finance Agency (HMFA), for the benefit of first-generation and first-time homebuyers.

The bill modifies the loan program's definition of "first-generation homebuyer" so that a loan program applicant would be able to meet this definition if a member of their household has acquired a home in the last three years, so long as the applicant, and their spouse or domestic partner, have not. The bill further modifies that definition to include individuals who were an emancipated youth, or were designated as a homeless, unaccompanied youth as defined in the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

The bill modifies the loan program's definition of "first-time homebuyer" so that the definition does not restrict ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by HMFA through an HMFA homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by HMFA.

A first-time homebuyer is to be required to commit to use a home purchased through the loan program as their principal residence for five years following the purchase, and, and provided by this bill, for these five years retain the first mortgage product offered by the agency through an agency homebuyer program.

The bill adjusts the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000.

The bill modifies a homebuyer education requirement for participation in the loan program to provide HMFA with more discretion over how to administer the coursework.

The bill also adjusts the regulatory guidance requirements for the loan program, requiring HMFA to develop guidelines instead of promulgating rules and regulations.

As reported by the committee, Senate Bill No. 1446 (1R) is identical to Assembly Bill No. 2824, as that bill was amended and reported by the committee on this date.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1446

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly Appropriations Committee reports favorably Senate Bill No. 1446 (1R).

This bill modifies a down payment assistance loan program, administered by the New Jersey Housing and Mortgage Finance Agency (HMFA), for the benefit of first-generation and first-time homebuyers.

The bill modifies the loan program's definition of "first-generation homebuyer" so that a loan program applicant would be able to meet this definition if a member of their household has acquired a home in the last three years, so long as the applicant, and their spouse or domestic partner, have not. The bill further modifies that definition to include individuals who were an emancipated youth, or were designated as a homeless, unaccompanied youth as defined in the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

The bill modifies the loan program's definition of "first-time homebuyer" so that the definition does not restrict ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by HMFA through an HMFA homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by HMFA.

A first-time homebuyer is to be required to commit to use a home purchased through the loan program as their principal residence for five years following the purchase, and, and provided by this bill, for these five years retain the first mortgage product offered by the agency through an agency homebuyer program.

The bill adjusts the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000.

The bill modifies a homebuyer education requirement for participation in the loan program to provide HMFA with more discretion over how to administer the coursework.

The bill also adjusts the regulatory guidance requirements for the loan program, requiring HMFA to develop guidelines instead of promulgating rules and regulations.

As reported by the committee, Senate Bill No. 1446 (1R) is identical to Assembly Bill No. 2824 (1R), which was also reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill would lead to an indeterminate increase in annual State expenditures. Expanding the population that is eligible for down payment assistance and increasing the maximum size of the loan to \$20,000 would increase annual program costs.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1446

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 25, 2024

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 1446.

As amended and reported, this bill modifies a down payment assistance loan program, administered by the New Jersey Housing and Mortgage Finance Agency (HMFA), for the benefit of first-generation and first-time homebuyers.

The bill modifies the loan program's definition of "first-generation homebuyer" so that a loan program applicant would be able to meet this definition if a member of their household has acquired a home in the last three years, so long as the applicant, and their spouse or domestic partner, have not. The bill further modifies that definition to include individuals who were an emancipated youth, or were designated as a homeless, unaccompanied youth as defined in the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

The bill modifies the loan program's definition of "first-time homebuyer" so that the definition does not restrict ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by HMFA through an HMFA homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by HMFA.

A first-time homebuyer is to be required to commit to use a home purchased through the loan program as their principal residence for five years following the purchase, and, and provided by this bill, for these five years retain the first mortgage product offered by the agency through an agency homebuyer program.

The bill adjusts the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000.

The bill modifies a homebuyer education requirement for participation in the loan program to provide HMFA with more discretion over how to administer the coursework.

The bill also adjusts the regulatory guidance requirements for the loan program, requiring HMFA to develop guidelines instead of promulgating rules and regulations.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to include within the definition of a "first-generation homebuyer," an individual who was an emancipated youth, or was designated as a homeless, unaccompanied youth pursuant to the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 1446 STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JUNE 19, 2024

SUMMARY

- Synopsis:** Modifies down payment assistance program for benefit of first-generation and first-time homebuyers
- Type of Impact:** Annual State expenditure increase.
- Agencies Affected:** New Jersey Housing and Mortgage Finance Agency.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill would lead to an indeterminate increase in annual State expenditures. Expanding the population that is eligible for down payment assistance and increasing the maximum size of the loan to \$20,000 would increase annual program costs.

BILL DESCRIPTION

The bill modifies the Housing and Mortgage Finance Agency's down payment assistance loan program. The bill broadens the loan program's definition of "first-generation homebuyer" so that an applicant would qualify for down payment assistance even if a member of the household had acquired a home in the last three years as long as the applicant, and the applicant's spouse or domestic partner, had not. The bill further modifies that definition to include an individual who was an emancipated youth, or was designated as a homeless, unaccompanied youth.

The bill modifies the loan program's definition of "first-time homebuyer" so that the definition does not restrict ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by the Housing and Mortgage Finance Agency through an agency homebuyer program to purchase single-family housing. The applicant must also have a gross household income that does not exceed a limitation determined by the agency.

Moreover, existing law requires a first-time homebuyer to commit to use the home for which the down payment assistance is provided as a principal residence for five years following the purchase of the home as a condition for receiving the loan and qualifying for loan forgiveness. The bill additionally requires the homebuyer to commit to retaining the first mortgage product offered by the agency for a five-year period as a condition for receiving the assistance and qualifying for loan forgiveness.

The bill also adjusts the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would lead to an indeterminate increase in annual State expenditures. Expanding the population that is eligible for down payment assistance and increasing the maximum size of the loan to \$20,000 would increase annual program costs.

Section: Local Government

Analyst: Abigail Stoyer
Associate Fiscal Analyst

Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 2824

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

SYNOPSIS

Modifies down payment assistance program for benefit of first-generation and first-time homebuyers.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/8/2024)

1 AN ACT concerning housing assistance for certain homebuyers and
2 amending P.L.2023, c.78.

3

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

6

7 1. Section 1 of P.L.2023, c.78 (C.55:14K-104) is amended to
8 read as follows:

9 1. As used in P.L.2023, c.78 (C.55:14K-104 et al.):

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

13 "Commissioner" means the Commissioner of Community
14 Affairs.

15 "Department" means the Department of Community Affairs.

16 "Down payment assistance" or "assistance" means financial
17 assistance for first-time homebuyers to acquire single-family
18 housing for principal residence through the loan program.

19 "Executive director" means the Executive Director of the New
20 Jersey Housing and Mortgage Finance Agency.

21 "First-generation homebuyer" means a first-time homebuyer,
22 who is:

23 a. an individual:

24 (1) whose parents or legal guardians do not have any present
25 ownership interest in any residential real property in any state or
26 territory of the United States, or outside of the United States; and

27 (2) whose spouse, or domestic partner **[**, and each member of
28 whose household**]** has not, during the **[3-year]** three-year period
29 ending upon acquisition of the eligible home to be acquired using
30 such assistance, had any present ownership interest in any
31 residential real property used as their principal residence in any
32 state or territory of the United States, or outside of the United
33 States; or

34 b. an individual who has at any time been placed in foster care
35 in the State.

36 "First-time homebuyer" means a homebuyer who, in accordance
37 with **[rules and regulations]** guidelines adopted by the agency, **[**has
38 not owned any residential real property as their principal residence
39 within the preceding three years, and**]** is utilizing a mortgage
40 product offered by the agency through an agency homebuyer
41 program to purchase single-family housing, and has a gross
42 household income that does not exceed a limitation determined by
43 the agency.

44 "Loan program" means the zero-interest, forgivable loan
45 program established pursuant to section 2 of P.L.2023, c.78
46 (C.55:14K-105).

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 "Principal residence" means a homestead that is actually and
2 continually occupied as the permanent residence of a household, as
3 distinguished from a vacation home, real property owned and rented
4 or offered for rent by the household, or other secondary real
5 property holdings.

6 "Single-family housing" means a one- to four-family residence, a
7 condominium unit, a cooperative unit, a combination of a
8 manufactured housing and lot, or a manufactured housing lot.
9 (cf: P.L.2023, c.78, s.1.)

10
11 2. Section 2 of P.L.2023, c.78 (C.55:14K-105) is amended to
12 read as follows:

13 2. a. There is established in the agency a zero-interest,
14 forgivable loan program to provide down payment assistance for
15 first-time homebuyers to achieve homeownership. The loan
16 program shall provide down payment assistance to defray the costs
17 associated with acquiring single-family housing for principal
18 residence, as provided for in subsection b. of this section. A first-
19 time homebuyer shall commit to use the home as their principal
20 residence for five years following the purchase of the home, and for
21 these five years retain the first mortgage product offered by the
22 agency through an agency homebuyer program. The agency shall
23 forgive the down payment assistance loan, provided that the five-
24 year commitment is satisfied and the first-time homebuyer meets
25 the other requirements established pursuant to subsection c. of this
26 section.

27 b. (1) The down payment assistance provided pursuant to this
28 section shall be in the form of a zero-interest, forgivable loan
29 award. The loan award shall be in **【the】** an amount **【of \$15,000】**
30 not to exceed \$20,000.

31 (2) In addition to a loan award that may be provided pursuant to
32 paragraph (1) of this subsection, a first-generation homebuyer shall
33 be eligible for a zero-interest, forgivable loan award of an
34 additional award amount of not less than \$7,000 and not more than
35 \$10,000 to be used for down payment assistance.

36 (3) Each first-time homebuyer who receives down payment
37 assistance through the loan program shall, prior to the award of
38 down payment assistance, complete **【not less than eight hours of】** a
39 homebuyer counseling course, as directed by the agency pursuant to
40 subsection c. of this section. The homebuyer counseling course
41 **【shall】** may include, but not be limited to, coursework concerning:

42 (a) the maintenance of housing costs, including methods for
43 budgeting mortgage payments, utility charges, property taxes, and
44 any other applicable housing cost;

45 (b) the basics of home finance, property taxes, home warranties,
46 and home inspection;

47 (c) the legal components of finalizing a home purchase; and

- 1 (d) the process of finding an appropriate house, including how
2 to search real estate listings through a real estate agent or other
3 sources.
- 4 c. The executive director shall **promulgate rules and**
5 **regulations pursuant to the "Administrative Procedure Act,"**
6 **P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate, administer, and**
7 **accomplish the purposes of the loan program. Notwithstanding the**
8 **limitations established in section 1 of P.L.2011, c.215**
9 **(C.52:14B-3a) on the use of regulatory guidance documents, the**
10 **executive director shall prepare and disseminate guidelines or**
11 **regulatory guidance documents, on or before the first day of the**
12 **third month next following the enactment of P.L.2023, c.78**
13 **(C.55:14K-104 et al.), in advance of the adoption of rules and**
14 **regulations** develop program guidelines **to effectuate, administer,**
15 **and accomplish the purposes of the loan program. The guidelines** **,**
16 **guidance documents, and rules and regulations** **shall, at a**
17 **minimum, set forth the requirements for application submissions,**
18 **the criteria for application selections, the eligible uses of down**
19 **payment assistance, eligibility as a first-time or first-generation**
20 **homebuyer, and the curriculum and provision of the homebuyer**
21 **counseling course.**
- 22 d. The agency shall permit an individual to establish eligibility
23 for the loan program as a first-generation homebuyer via self-
24 attestation, under penalty of perjury. However, nothing in this
25 subsection shall preclude the agency from establishing measures to
26 identify and deter fraudulent attestations. If it is established that an
27 individual has received assistance as a result of a fraudulent
28 attestation, the individual shall reimburse the agency for the
29 assistance.
- 30 e. A down payment assistance loan shall be recoverable as a lien
31 on the real property that the loan is used to purchase, and shall have
32 the priority of a mortgage lien.
- 33 f. The annual appropriations act for State fiscal year 2024 shall
34 include an appropriation from the General Fund to the loan
35 program, and the annual appropriations acts following State fiscal
36 year 2024 shall appropriate not less than \$25 million from the
37 General Fund to the agency, during each State fiscal year in which
38 the loan program remains in operation, to effectuate the purposes of
39 the loan program, and defray the costs associated with
40 administering the loan program, except that the agency shall retain
41 not more than five percent of the annual appropriation for
42 administrative costs. Of the total amount of down payment
43 assistance funding awarded each State fiscal year through the loan
44 program, no less than 50 percent shall be awarded to first-
45 generation homebuyers, unless the agency determines that 50
46 percent of the down payment assistance funding cannot be awarded
47 to first-generation homebuyers, because too few first-generation
48 homebuyers have applied for the loan program, in which case, more

1 than 50 percent of the funding shall be awarded to first-time
2 homebuyers who are not first-generation homebuyers.

3 g. No later than the 730th day next following the effective date
4 of P.L.2023, c.78 (C.55:14K-104 et al.), the agency shall prepare
5 and submit a report to the Governor and, pursuant to section 2 of
6 P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The report shall
7 analyze the efficacy of the loan program. The report shall provide
8 an overview of the total amount of down payment assistance
9 provided by the agency, with information by census tract on the
10 race and ethnicity of the recipients of assistance. The report also
11 shall analyze:

12 (1) the impact of the down payment assistance on the total
13 housing costs of the recipients of such assistance;

14 (2) the impact of the additional loan award for first-generation
15 homebuyers provided pursuant to paragraph (2) of subsection b. of
16 this section, and the other components of the loan program, on first-
17 generation homeownership; and

18 (3) any other information determined by the agency to be
19 relevant to the costs and benefits of the loan program.

20 (cf: P.L.2023, c.78, s.2)

21

22 3. This act shall take effect immediately.

23

24

25

STATEMENT

26

27 This bill would modify a down payment assistance loan program,
28 administered by the New Jersey Housing and Mortgage Finance
29 Agency (HMFA), for the benefit of first-generation and first-time
30 homebuyers.

31 The bill would modify the loan program's definition of "first-
32 generation homebuyer" so that a loan program applicant would be
33 able to meet this definition if a member of their household has
34 acquired a home in the last three years, so long as the applicant, and
35 their spouse or domestic partner, have not.

36 The bill would modify the loan program's definition of "first-
37 time homebuyer" so that the definition would not restrict ownership
38 of residential real property within the previous three years, as long
39 as an applicant is using a mortgage product offered by HMFA
40 through an HMFA homebuyer program to purchase single-family
41 housing, and has a gross household income that does not exceed a
42 limitation determined by HMFA.

43 A first-time homebuyer would be required to commit to use a
44 home purchased through the loan program as their principal
45 residence for five years following the purchase, and, and provided
46 by this bill, for these five years retain the first mortgage product
47 offered by the agency through an agency homebuyer program.

A2824 GREENWALD, MOEN

6

1 The bill would adjust the loan award to be offered through the
2 loan program from \$15,000 to an amount not to exceed \$20,000.

3 The bill would modify a homebuyer education requirement for
4 participation in the loan program to provide HMFA with more
5 discretion over how to administer the coursework.

6 The bill would also adjust the regulatory guidance requirements
7 for the loan program, requiring HMFA to develop guidelines
8 instead of promulgating rules and regulations.

[First Reprint]

ASSEMBLY, No. 2824

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Co-Sponsored by:

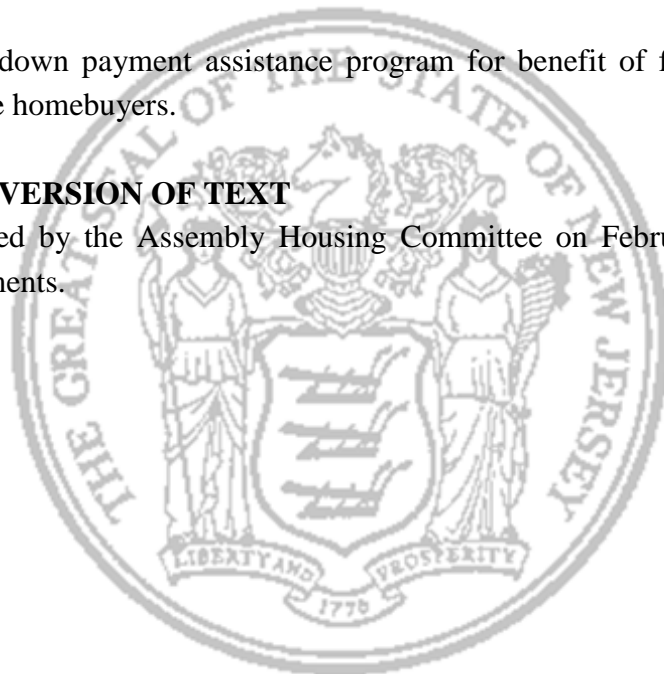
**Assemblywomen Hall, Flynn, Speight, Reynolds-Jackson, Haider,
Assemblymen Rodriguez, Atkins, Assemblywoman Lopez, Assemblyman
Stanley, Assemblywomen Sumter, Donlon, Bagolie, Peterpaul, Morales
and Swain**

SYNOPSIS

Modifies down payment assistance program for benefit of first-generation and first-time homebuyers.

CURRENT VERSION OF TEXT

As reported by the Assembly Housing Committee on February 22, 2024, with amendments.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning housing assistance for certain homebuyers and
2 amending P.L.2023, c.78.

3

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

6

7 1. Section 1 of P.L.2023, c.78 (C.55:14K-104) is amended to
8 read as follows:

9 1. As used in P.L.2023, c.78 (C.55:14K-104 et al.):

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

13 "Commissioner" means the Commissioner of Community
14 Affairs.

15 "Department" means the Department of Community Affairs.

16 "Down payment assistance" or "assistance" means financial
17 assistance for first-time homebuyers to acquire single-family
18 housing for principal residence through the loan program.

19 "Executive director" means the Executive Director of the New
20 Jersey Housing and Mortgage Finance Agency.

21 "First-generation homebuyer" means a first-time homebuyer,
22 who is:

23 a. an individual:

24 (1) whose parents or legal guardians do not have any present
25 ownership interest in any residential real property in any state or
26 territory of the United States, or outside of the United States; and

27 (2) whose spouse ¹**[,]¹ or domestic partner **[,]** and each member
28 of whose household **]** has not, during the **[3-year]** three-year period
29 ending upon acquisition of the eligible home to be acquired using
30 such assistance, had any present ownership interest in any
31 residential real property used as their principal residence in any
32 state or territory of the United States, or outside of the United
33 States; or**

34 b. an individual who has at any time been placed in foster care
35 in the State ¹, was an emancipated youth, or was designated as a
36 homeless, unaccompanied youth pursuant to the "McKinney-Vento
37 Homeless Assistance Act," as described in 42 U.S.C. s.11434a¹.

38 "First-time homebuyer" means a homebuyer who, in accordance
39 with **[rules and regulations]** guidelines adopted by the agency, **[has**
40 not owned any residential real property as their principal residence
41 within the preceding three years, and **]** is utilizing a mortgage
42 product offered by the agency through an agency homebuyer
43 program to purchase single-family housing, and has a gross

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, 2024.

1 household income that does not exceed a limitation determined by
2 the agency.

3 "Loan program" means the zero-interest, forgivable loan
4 program established pursuant to section 2 of P.L.2023, c.78
5 (C.55:14K-105).

6 "Principal residence" means a homestead that is actually and
7 continually occupied as the permanent residence of a household, as
8 distinguished from a vacation home, real property owned and rented
9 or offered for rent by the household, or other secondary real
10 property holdings.

11 "Single-family housing" means a one- to four-family residence, a
12 condominium unit, a cooperative unit, a combination of a
13 manufactured housing and lot, or a manufactured housing lot.
14 (cf: P.L.2023, c.78, s.1)

15

16 2. Section 2 of P.L.2023, c.78 (C.55:14K-105) is amended to
17 read as follows:

18 2. a. There is established in the agency a zero-interest,
19 forgivable loan program to provide down payment assistance for
20 first-time homebuyers to achieve homeownership. The loan
21 program shall provide down payment assistance to defray the costs
22 associated with acquiring single-family housing for principal
23 residence, as provided for in subsection b. of this section. A first-
24 time homebuyer shall commit to use the home as their principal
25 residence for five years following the purchase of the home, and for
26 these five years retain the first mortgage product offered by the
27 agency through an agency homebuyer program. The agency shall
28 forgive the down payment assistance loan, provided that the five-
29 year commitment is satisfied and the first-time homebuyer meets
30 the other requirements established pursuant to subsection c. of this
31 section.

32 b. (1) The down payment assistance provided pursuant to this
33 section shall be in the form of a zero-interest, forgivable loan
34 award. The loan award shall be in **【the】** an amount **【of \$15,000】**
35 not to exceed \$20,000.

36 (2) In addition to a loan award that may be provided pursuant to
37 paragraph (1) of this subsection, a first-generation homebuyer shall
38 be eligible for a zero-interest, forgivable loan award of an
39 additional award amount of not less than \$7,000 and not more than
40 \$10,000 to be used for down payment assistance.

41 (3) Each first-time homebuyer who receives down payment
42 assistance through the loan program shall, prior to the award of
43 down payment assistance, complete **【not less than eight hours of】**
44 homebuyer counseling course, as directed by the agency pursuant to
45 subsection c. of this section. The homebuyer counseling course
46 **【shall】** may include, but not be limited to, coursework concerning:

- 1 (a) the maintenance of housing costs, including methods for
2 budgeting mortgage payments, utility charges, property taxes, and
3 any other applicable housing cost;
- 4 (b) the basics of home finance, property taxes, home warranties,
5 and home inspection;
- 6 (c) the legal components of finalizing a home purchase; and
- 7 (d) the process of finding an appropriate house, including how
8 to search real estate listings through a real estate agent or other
9 sources.
- 10 c. The executive director shall [promulgate rules and
11 regulations pursuant to the "Administrative Procedure Act,"
12 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate, administer, and
13 accomplish the purposes of the loan program. Notwithstanding the
14 limitations established in section 1 of P.L.2011, c.215
15 (C.52:14B-3a) on the use of regulatory guidance documents, the
16 executive director shall prepare and disseminate guidelines or
17 regulatory guidance documents, on or before the first day of the
18 third month next following the enactment of P.L.2023, c.78
19 (C.55:14K-104 et al.), in advance of the adoption of rules and
20 regulations] develop program guidelines to effectuate, administer,
21 and accomplish the purposes of the loan program. The guidelines [,
22 guidance documents, and rules and regulations] shall, at a
23 minimum, set forth the requirements for application submissions,
24 the criteria for application selections, the eligible uses of down
25 payment assistance, eligibility as a first-time or first-generation
26 homebuyer, and the curriculum and provision of the homebuyer
27 counseling course.
- 28 d. The agency shall permit an individual to establish eligibility
29 for the loan program as a first-generation homebuyer via self-
30 attestation, under penalty of perjury. However, nothing in this
31 subsection shall preclude the agency from establishing measures to
32 identify and deter fraudulent attestations. If it is established that an
33 individual has received assistance as a result of a fraudulent
34 attestation, the individual shall reimburse the agency for the
35 assistance.
- 36 e. A down payment assistance loan shall be recoverable as a lien
37 on the real property that the loan is used to purchase, and shall have
38 the priority of a mortgage lien.
- 39 f. The annual appropriations act for State fiscal year 2024 shall
40 include an appropriation from the General Fund to the loan
41 program, and the annual appropriations acts following State fiscal
42 year 2024 shall appropriate not less than \$25 million from the
43 General Fund to the agency, during each State fiscal year in which
44 the loan program remains in operation, to effectuate the purposes of
45 the loan program, and defray the costs associated with
46 administering the loan program, except that the agency shall retain
47 not more than five percent of the annual appropriation for
48 administrative costs. Of the total amount of down payment

1 assistance funding awarded each State fiscal year through the loan
2 program, no less than 50 percent shall be awarded to first-
3 generation homebuyers, unless the agency determines that 50
4 percent of the down payment assistance funding cannot be awarded
5 to first-generation homebuyers, because too few first-generation
6 homebuyers have applied for the loan program, in which case, more
7 than 50 percent of the funding shall be awarded to first-time
8 homebuyers who are not first-generation homebuyers.

9 g. No later than the 730th day next following the effective date
10 of P.L.2023, c.78 (C.55:14K-104 et al.), the agency shall prepare
11 and submit a report to the Governor and, pursuant to section 2 of
12 P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The report shall
13 analyze the efficacy of the loan program. The report shall provide
14 an overview of the total amount of down payment assistance
15 provided by the agency, with information by census tract on the
16 race and ethnicity of the recipients of assistance. The report also
17 shall analyze:

18 (1) the impact of the down payment assistance on the total
19 housing costs of the recipients of such assistance;

20 (2) the impact of the additional loan award for first-generation
21 homebuyers provided pursuant to paragraph (2) of subsection b. of
22 this section, and the other components of the loan program, on first-
23 generation homeownership; and

24 (3) any other information determined by the agency to be
25 relevant to the costs and benefits of the loan program.

26 (cf: P.L.2023, c.78, s.2)

27

28 3. This act shall take effect immediately.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2824

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 2024

The Assembly Housing Committee reports favorably and with committee amendments Assembly Bill No. 2824.

As amended, this bill modifies a down payment assistance loan program, administered by the New Jersey Housing and Mortgage Finance Agency (HMFA), for the benefit of first-generation and first-time homebuyers.

The bill modifies the loan program's definition of "first-generation homebuyer" so that a loan program applicant would be able to meet this definition if a member of their household has acquired a home in the last three years, so long as the applicant, and their spouse or domestic partner, have not. The bill further modifies that definition to include individuals who were an emancipated youth, or were designated as a homeless, unaccompanied youth as defined in the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

The bill modifies the loan program's definition of "first-time homebuyer" so that the definition does not restrict ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by HMFA through an HMFA homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by HMFA.

A first-time homebuyer is to be required to commit to use a home purchased through the loan program as their principal residence for five years following the purchase, and, and provided by this bill, for these five years retain the first mortgage product offered by the agency through an agency homebuyer program.

The bill adjusts the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000.

The bill modifies a homebuyer education requirement for participation in the loan program to provide HMFA with more discretion over how to administer the coursework.

The bill also adjusts the regulatory guidance requirements for the loan program, requiring HMFA to develop guidelines instead of promulgating rules and regulations.

As amended and reported by the committee, Assembly Bill No. 2824 is identical to Senate Bill No. S1446 (1R) which was also reported by the committee on this date.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to include within the definition of a "first-generation homebuyer," an individual who was an emancipated youth, or was designated as a homeless, unaccompanied youth pursuant to the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2824

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2824 (1R).

This bill modifies a down payment assistance loan program, administered by the New Jersey Housing and Mortgage Finance Agency (HMFA), for the benefit of first-generation and first-time homebuyers.

The bill modifies the loan program's definition of "first-generation homebuyer" so that a loan program applicant would be able to meet this definition if a member of their household has acquired a home in the last three years, so long as the applicant, and their spouse or domestic partner, have not. The bill further modifies that definition to include individuals who were an emancipated youth, or were designated as a homeless, unaccompanied youth as defined in the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

The bill modifies the loan program's definition of "first-time homebuyer" so that the definition does not restrict ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by HMFA through an HMFA homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by HMFA.

A first-time homebuyer is to be required to commit to use a home purchased through the loan program as their principal residence for five years following the purchase, and, and provided by this bill, for these five years retain the first mortgage product offered by the agency through an agency homebuyer program.

The bill adjusts the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000.

The bill modifies a homebuyer education requirement for participation in the loan program to provide HMFA with more discretion over how to administer the coursework.

The bill also adjusts the regulatory guidance requirements for the loan program, requiring HMFA to develop guidelines instead of promulgating rules and regulations.

As reported by the committee, Assembly Bill No. 2824 (1R) is identical to Senate Bill No. S1446 (1R) which was also reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill would lead to an indeterminate increase in annual State expenditures. Expanding the population that is eligible for down payment assistance and increasing the maximum size of the loan to \$20,000 would increase annual program costs.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2824

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: MAY 7, 2024

SUMMARY

- Synopsis:** Modifies down payment assistance program for benefit of first-generation and first-time homebuyers
- Type of Impact:** Annual State expenditure increase.
- Agencies Affected:** New Jersey Housing and Mortgage Finance Agency.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill would lead to an indeterminate increase in annual State expenditures. Expanding the population that is eligible for down payment assistance and increasing the maximum size of the loan to \$20,000 would increase annual program costs.

BILL DESCRIPTION

The bill modifies the Housing and Mortgage Finance Agency's down payment assistance loan program. The bill broadens the loan program's definition of "first-generation homebuyer" so that an applicant would qualify for down payment assistance even if a member of the household had acquired a home in the last three years as long as the applicant, and the applicant's spouse or domestic partner, had not. The bill further modifies that definition to include an individual who was an emancipated youth, or was designated as a homeless, unaccompanied youth.

The bill modifies the loan program's definition of "first-time homebuyer" so that the definition does not restrict ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by the Housing and Mortgage Finance Agency through an agency homebuyer program to purchase single-family housing. The applicant must also have a gross household income that does not exceed a limitation determined by the agency.

Moreover, existing law requires a first-time homebuyer to commit to use the home for which the down payment assistance is provided as a principal residence for five years following the purchase of the home as a condition for receiving the loan and qualifying for loan forgiveness. The bill additionally requires the homebuyer to commit to retaining the first mortgage product offered by the agency for a five-year period as a condition for receiving the assistance and qualifying for loan forgiveness.

The bill also adjusts the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would lead to an indeterminate increase in annual State expenditures. Expanding the population that is eligible for down payment assistance and increasing the maximum size of the loan to \$20,000 would increase annual program costs.

Section: Local Government

*Analyst: Abigail Stoyer
Associate Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE BILL NO. 1446

(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1446 (First Reprint) with my recommendations for reconsideration.

This bill would modify a down payment assistance loan program, administered by the New Jersey Housing and Mortgage Finance Agency ("HMFA"), for the benefit of first-generation and first-time homebuyers. In particular, the bill would modify the loan program's definition of "first-generation homebuyer" so that a loan program applicant would be able to meet this definition if a member of their household owned a home in the last three years, so long as the applicant, and their spouse or domestic partner, have not. The bill would further modify that definition to include individuals who were an emancipated youth, or were designated as a homeless, unaccompanied youth as defined in the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

Additionally, the bill would modify the loan program's definition of "first-time homebuyer" so that the definition does not restrict a homebuyer's ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by HMFA through an HMFA homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by HMFA.

Furthermore, the bill would require that a first-time homebuyer occupy the home as their principal residence and retain the first mortgage product offered by HMFA through an HMFA homebuyer program for five years following the purchase of the home.

The bill also would adjust the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000. The bill would modify a homebuyer education requirement for participation in the loan program to provide HMFA with more discretion over how to administer the coursework. Additionally, the bill would adjust the regulatory guidance requirements for the loan program, requiring HMFA to develop guidelines instead of promulgating rules and regulations.

I commend the sponsors of this bill for advancing legislation that promotes broader access and opportunity to those individuals and families seeking to put down roots in New Jersey, investing in themselves and their communities through homeownership. Homeownership creates wealth, enhancing the educational, commercial, and intergenerational opportunities through the equity and access to capital that a home creates. Importantly, increasing first-time and first-generation homeownership also improves the health of our broader housing market.

While I wholeheartedly endorse the goal and objective of this legislation, I am recommending one revision to improve the administrability of the program and to ensure its financial viability in the fiscal year ahead.

My recommended change would appropriate \$8 million to the program to ensure that the program receives the same level of funding in Fiscal Year 2025 that it did in Fiscal Year 2024. I want to thank the Legislature for agreeing to this change as part of our comprehensive discussions on the budget.

Programs like HMFA's Down Payment Assistance Program and First-Time Homebuyer Program are crucial to advancing homeownership opportunities in every county and municipality in New Jersey. I am optimistic that my recommendations today, coupled with the many other housing, community, and economic development

initiatives that we have undertaken together, will create a stronger and fairer New Jersey for all.

Therefore, I herewith return Senate Bill No. 1446 (First Reprint) and recommend that it be amended as follows:

Page 5, Section 2, Line 27:

Insert new section:

"3. Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$8,000,000 from the New Jersey Affordable Housing Trust Fund is appropriated to the New Jersey Housing and Mortgage Finance Agency for the Down Payment Assistance Program established pursuant to Section 2 of P.L.2023, c.78 (C.55:14K-105), subject to the approval of the Director of the Division of Budget and Accounting."

Page 5, Section 3, Line 28:

Delete "3." and insert "4."

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor

Governor Murphy Signs Fiscal Year 2025 Budget into Law

06/28/2024

Budget Provides Significant Property Tax Relief, the Highest Level of School Funding in History, A Fourth Consecutive Full Pension Payment, and a New Dedicated Funding Stream for NJ TRANSIT

\$6.1 Billion Surplus to Help Weather Future Financial Challenges

TRENTON – Governor Phil Murphy today signed the Fiscal Year 2025 Appropriations Act into law, building on the Administration’s commitment to making New Jersey the best place to raise a family by increasing affordability, creating new economic opportunities, promoting fiscal responsibility, and investing in a more equitable future for all New Jerseyans.

The \$56.7 billion Fiscal Year 2025 (FY2025) budget, approved by the Legislature earlier in the day, provides significant direct property tax relief for homeowners and renters, yields the highest level of school funding in history, delivers a fourth consecutive full pension payment, and creates a new, dedicated funding stream – the Corporate Transit Fee – to support NJ TRANSIT, among other investments that improve the health, safety, and economic well-being of New Jersey’s residents. In addition, the budget provides a \$6.1 billion surplus to help the State weather future financial challenges.

“With this budget, we are going to make life more affordable for more families. We are going to create new economic opportunities for our workers and local businesses. And we are going to invest in the potential of every one of our neighbors – from our students to our senior citizens,” **said Governor Phil Murphy**. “But above all, this is a budget that will put the needs of our families ahead of special interests, starting by providing yet another round of record-high tax relief to our state’s working- and middle-class families. In fact, nearly half of this entire budget – more than \$27 billion – will be dedicated toward providing direct and indirect property tax relief.”

“This budget is a recommitment to our administration’s promise to make New Jersey the best state in the nation to live, work, raise a family, and retire. With a focus on our state’s most essential needs – affordability, education, mass transit infrastructure, and more – we are continuing to prioritize everyday New Jerseyans,” **said Lt. Governor Tahesha Way**. “I commend Governor Murphy, Treasurer Muoio, legislative leadership, and all of those involved in getting this critical budget over the finish line for the advancement of our state.”

“This budget makes historic investments in schools, sustained property tax relief, health care, and transportation, all while maintaining our commitment to fiscal responsibility with a healthy surplus,” **said Assembly Speaker Craig J. Coughlin**. “After decades of neglect, we have fully funded aid to local school districts to benefit students, teachers, and communities and will make a full pension payment for the fourth year in a row, ensuring a secure retirement for hundreds of thousands of New Jerseyans. ANCHOR is in its third year, now a benefit that homeowners and renters can count on annually to ease their burdens and make our state more affordable. This budget also delivers more support for Stay NJ so that next year, almost every senior homeowner in our state will be able to use a single, streamlined application for property tax relief to see their bills cut in half. New Jersey will be the best place in the country to find a

job, a home, and a vibrant future for a family, from pre-school to retirement.”

“This year's budget is a holistic plan that puts the well-being of our children and families first. We are making huge investments in education for our youngest and oldest students by continuing on the path toward universal pre-K, fully financing the school funding formula, launching a student literacy initiative, and investing in higher education,” **said Senate Majority Leader M. Teresa Ruiz**. “We are putting money towards vital mental and physical health programs that save lives. Expanding the Universal Newborn Home Nurse Visitation Program will give thousands more new mothers an invaluable resource that will help improve maternal and infant health outcomes. Funding for mental health services for children and adolescents will put us in the best position to combat one of the biggest health crises we face. The budget signed today makes lasting, equitable investments in our communities and I look forward to seeing its impact.”

“This fiscally responsible budget has something for everyone - from prioritizing expanded healthcare coverage for our children and cementing the protection of women’s reproductive rights to ensuring property tax relief remains fully funded while still increasing our investments in education to ensure future minds are equipped for success,” **said Majority Leader Louis D. Greenwald**. “In this budget, we’ve made prudent choices, reduced unnecessary spending and maintained a responsible surplus. By making smart decisions, we are able to lay the foundation for historic things in New Jersey.”

“This budget builds upon our record of fiscal responsibility,” **said Senator Paul Sarlo, Senate Budget Committee Chairman**. “It includes a substantial surplus to protect against a downturn in the economy, a debt reduction fund, a full pension payment to help stabilize state financing, a fully funded school aid formula to aid local taxpayers and record amounts of direct property tax relief. It also makes strategic investments that expand economic opportunities and make the lives of New Jerseyans more affordable. This is a budget that will serve the best interests of the State of New Jersey.”

“The state spending plan for the year ahead showcases our unwavering commitment to making the lives of New Jersey families more affordable through investments in the Anchor program and education while supporting our local economies,” **said Assemblywoman Eliana Pintor Marin, Assembly Budget Committee Chair**. “The most significant reductions in state spending in at least a decade has allowed us to invest in key areas such as school funding, higher education, healthcare, and property tax relief which are all so important to our constituents. This budget is not just about balancing books; it's about balancing the scales of opportunity and equity for all New Jerseyans.”

“This budget invests in New Jerseyans at every stage of life, from record school funding for our children, to significant property tax relief for both homeowners and renters, to a historic contribution to the public pension system,” **said State Treasurer Elizabeth Maher Muoio**. “I would like to thank my staff at the Department of the Treasury, particularly the hardworking teams at the Office of Management and Budget and the Office of Revenue and Economic Analysis, for their tireless efforts behind the scenes to help deliver the State Budget to the people of New Jersey.”

Increasing Affordability

Building on efforts to make the Garden State more affordable for residents and families, the FY2025 budget includes more than \$3.6 billion for direct property tax relief. This includes the third year of the historic ANCHOR Property Tax Relief Program, which provided more than \$2.2 billion to nearly two million residents in the most recent filing season. In total, the ANCHOR program has provided more than \$4 billion in direct tax relief in the past two years.

With a focus on providing relief for seniors, the budget maintains the popular Senior Freeze property tax relief

program, which was expanded last year to include 58,000 new households.

Additionally, the budget provides over \$200 million to pre-fund the Stay NJ property tax relief program that is expected to launch in FY2026. Once fully implemented, Stay NJ is intended to cut property taxes in half for many eligible New Jersey seniors by providing a direct credit of up to \$6,500 on property tax bills.

With the goal to ease the burden on working and middle-class families, this budget maintains recent expansions of the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and the Child Tax Credit, which was doubled last year to enable families with young children to receive up to \$1,000 per child.

Beyond tax relief, this budget maintains a strong commitment to making life more affordable for New Jerseyans at all stages of life.

The budget includes \$82.5 million to maintain expanded eligibility for the popular Pharmaceutical Assistance for the Aged and Disabled (PAAD) and Senior Gold programs to further cut costs for life-enhancing – and life-saving – prescription drugs.

For working New Jerseyans striving to save for the future, the budget provides funding for the RetireReady NJ program (formerly known as the Secure Choice Savings Program). Following a successful pilot program this spring, RetireReady NJ will launch fully this summer to provide a new option for retirement savings for private sector employees.

Aiming to increase homeownership opportunities, this budget includes more than \$50 million for a multi-faceted investment to boost New Jersey's housing supply and make homeownership more affordable. The FY2025 budget will also support P.L.2024, c.2, which was landmark legislation that the Governor signed in March to help towns meet their affordable housing obligations.

Prioritizing Affordable Education and Protecting Our Youth

The FY2025 budget makes significant investments in the next generation, starting with maintaining New Jersey's status as the best-in-the-nation public school system. It completes the seven-year phase-in of the school aid formula by providing more than \$900 million in direct K-12 aid for public schools, for a total of almost \$12 billion. With this budget, the State has increased overall K-12 support to New Jersey's public schools by more than \$3.5 billion over seven years, a more than 40 percent increase, all of which helps offset local property taxes.

For New Jersey's youngest students, the budget includes an additional \$124 million for pre-K education, of which \$20 million will be used to expand into new districts to create over 1,000 new seats. Since FY2018, pre-K funding has increased by over \$427 million and the State has added over 14,600 seats, pushing the state closer to achieving universal pre-K for all New Jersey families.

Continuing the work to make access to higher education more affordable, the budget includes over \$290 million in aid to community colleges, including over \$169 million in formulaic operating aid. The appropriation for community college operating aid during the final year of the Christie Administration was \$134 million. Additionally, the budget includes more than \$982 million for senior public institution operating support and the outcomes-based allocation. Compared to FY2018, this is a \$290 million increase.

To ensure New Jersey is able to attract, train, and retain the workforce necessary to continue providing a top-quality

education to our students, the budget allocates over \$15 million to teacher training programs. This includes \$10 million for student-teacher stipends to help future educators meet the costs of living while working and studying for their credentials, and \$5 million to fund the Teachers Loan Redemption Program.

In addition to record school funding and initiatives to train teachers, the FY2025 budget allocates more than \$100 million of growth to support Cover All Kids, which provides health coverage for children.

The budget also includes an additional \$30 million to provide free school meals. In addition, New Jersey has joined 37 other states to take part in the Summer EBT program, which will combat child hunger during the summer and bring in over \$60 million in federal funds. More than 550,000 children in New Jersey are already receiving benefits this summer, with more than \$66 million in federal benefits expected to be distributed.

Promoting Fiscal Responsibility

The FY2025 budget makes a record full pension payment of \$7.162 billion, including contributions from the State Lottery, bringing the total contribution to the pension fund under Governor Murphy to \$39.9 billion, or more than triple the total contributions – \$12.2 billion – made by the previous six administrations combined. This budget marks the fourth year in a row funding a full pension payment, making Governor Murphy the first governor in a generation to make payments equal to or greater than 100 percent of the Actuarially Determined Contribution (ADC) four years in a row.

With a commitment to strong fiscal governance, the budget includes a surplus of \$6.1 billion, nearly ten times larger than the average surplus under the previous administration.

Because of the shared concern with addressing the State's structural budget issues, the Governor and legislative leadership have agreed that most of the new spending added to the final FY2025 Appropriations Act will be one-time, non-recurring additions.

Continuing the State's focus on reducing debt, the budget utilizes the Debt Defeasance and Prevention Fund to provide \$120 million to finish the State Police Training Center and \$70 million to support State parks. These funds will be used to revitalize Liberty State Park and break ground on the Garden State Greenway.

Another \$21 million is allocated to convert veterans' homes to single occupancy, while almost \$2 million from the State Fiscal Recovery Fund will be used to provide new beds and medical equipment at all three veterans' homes as part of the Administration's continued effort to provide veterans with the care they deserve.

Investing in NJ TRANSIT

The Murphy Administration inherited an agency in deep crisis after years of underfunding and disinvestment. However, over the past six years, NJ TRANSIT has overcome many operational challenges, with nearly every major metric – reliability, on-time performance, safety, and customer satisfaction – making notable improvement. As evidenced this summer, the agency still faces challenges, and remains in need of an additional dedicated funding source.

The new Corporate Transit Fee included in this budget will create another dedicated funding stream for NJ TRANSIT that will provide fiscal support for the next five years. This funding will ensure service is maintained as ridership continues to recover from the pandemic while building upon major operational improvements.

The fee will affect NJ's wealthiest corporations with net taxable income greater than \$10 million. Small and medium-sized businesses would not be impacted – in fact, nearly 2,500 companies will see their taxes decrease from last year.

The fee will sunset in FY2029.

Investing in Economic Opportunity and Community Growth

New Jersey has become a major player in the innovation, clean energy, and entertainment industries, earlier this year securing the opportunity to host the FIFA World Cup 26TM Final and seven other matches. The FY2025 budget builds upon these accomplishments by combining ambitious investments with important support for local communities.

Furthering the goal of positioning New Jersey atop the innovation economy, the budget includes a suite of initiatives to advance the Governor's AI Moonshot and augment the AI Hub being created at Princeton University. The funding includes \$4 million to establish an innovation challenge to reward innovators for solving public-facing problems with State data; \$400,000 to fund the AI focused Global Entrepreneurs-in-Residence pilot program to help international students at New Jersey universities launch cutting-edge businesses; \$1.5 million to fund AI education in K-12 classrooms and develop new Career and Technical Education programs targeted to AI; and \$2 million to help budding entrepreneurs build out start-ups related to general artificial intelligence and connect with the AI innovation hub.

As New Jersey continues to lead in enacting climate change reforms, this budget includes \$40 million to provide the State match for a federal electric grid modernization program to upgrade our infrastructure to meet our climate goals.

The FY2025 budget also supports small businesses with continued funding for the Main Street Recovery Program, a successful program providing multiple financial assistance products targeted to the growth and success of small businesses in New Jersey. Additionally, the budget also continues support for Manufacturing Initiatives and Strategic Innovation Centers, bringing the total investment in all three to over half a billion dollars over the past five years.

Building on investments in New Jersey's job and small business growth, the budget provides several programs to expand workforce development, including \$5 million to launch a Nursing Workforce Initiative, a suite of workforce programs designed to ensure future nurses have experienced faculty and the resources they need to complete their training; and increasing the Behavioral Healthcare Loan Redemption Program by \$2 million.

Additionally, the FY2025 budget provides over \$30 million in funding for a two-year initiative to end veteran's homelessness through services and interventions to help place over 1,000 homeless veterans in New Jersey into stable housing.

Recognizing the emergent needs residents sometimes face, the budget increases rates for emergency hotel and motel placements to help families in need of emergency housing.

The budget also builds on the successful ARRIVE Together program, which brings police and mental health professionals together to respond to crises, with an additional \$10 million to nearly double last year's investment – to expand the initiative to new municipalities while boosting hours of availability.

This budget also includes new investments in the parole system and the Office of the Public Defender to protect civil

rights and maintain New Jersey's exceptionally low recidivism rate.

The budget builds on the significant youth mental health investments made by Governor Murphy. It includes over \$40 million for the NJ Statewide Student Support Services (NJ4S) network, which stood up its first regional hubs in September. It also includes over \$50 million for cost-of-living increases in the Children's System of Care and new Mental Health Initiatives.

The budget also invests in the State's family and maternal health care programs. This includes a more than \$23 million investment to expand New Jersey's groundbreaking universal home visitation program for new mothers from 2,200 families this year to 16,700 families in the next year; operating funding for the Maternal and Infant Health Innovation Authority; and continued investments in family planning services and reproductive health programs, for a total of over \$216 million since the start of the Murphy Administration, after being completely defunded by the previous administration.

An additional one-page policy summary on the central commitments of the FY2025 budget can be found online [here](#).

Governor Murphy signed the Appropriations Act into law today:

A-4700/S-2025 (Pintor Marin, Wimberly/Sarlo, Greenstein) – w/LINE ITEM - Appropriates \$56,635,803,000 in State funds and \$27,501,993,844 in federal funds for the State budget for fiscal year 2025

[Line Item Veto Message](#)

[Line Item Veto Summary](#)

[Revenue Certification](#)

In addition to the Appropriations Act, Governor Murphy also signed the following bills into law today:

S-2024/A-4701 (Sarlo, Greenstein/Pintor Marin, Wimberly) - Makes FY2024 supplemental appropriations of \$37,430,000; de-appropriates \$24,000,000 in existing FY2024 appropriations; adds and modifies various FY2024 language provisions

S-3511/A-4703 (Sarlo/DeAngelo, Pintor Marin) – Appropriates \$393,480,000 from "New Jersey Debt Defeasance and Prevention Fund"; establishes process for authorizing future appropriations for debt defeasance and capital projects

[Copy of Statement](#)

A-4702/S-3514 (Pintor Marin, Wimberly/Sarlo) - Phases out sales and use tax exemption on zero emission vehicles; repeals annual sales tax holiday for certain school supplies and sport or recreational equipment

A-4704/S-3513 (Haider/Scutari) - Imposes 2.5 percent corporate transit fee on taxpayers with allocated taxable net income in excess of \$10 million under CBT

A-4705/S-3512 (Murphy, Venezia/Scutari) - Increases annual assessment on net written premiums of HMOs from five percent to six percent

S-3519/A-4709 (Sarlo, Johnson/Wimberly, Schaer, Park) - Provides monies for EDA to purchase certain properties from NJT to maximize development potential; appropriates \$65 million

A-1669/S-1287 (Lampitt, Lopez, Bagolie/Beach, Turner) – Removes obstacles to teacher certification for certain teachers; repeals law establishing alternative certificate of eligibility

The Governor also conditionally vetoed the following bills earlier today and signed them later in the day upon concurrence by the Legislature:

S-1446wGR/A-2824 (Ruiz, Singleton/Greenwald, Moen, McCoy) -Modifies down payment assistance program for benefit of first-generation and first-time homebuyers

[Copy of Statement](#)

A-4708wGR/S-3515 (Greenwald, Pintor Marin, Wimberly/Scutari) - Appropriates \$5 million to the Department of State for Cultural Projects

[Copy of Statement](#)