

55:14 K-1 to 55:14 K-44

LEGISLATIVE HISTORY CHECKLIST

NJSA: 55:14K-1 to 55:14K-44 ("New Jersey Housing and Mortgage finance Agency Act" -- consolidate HFA & MFA)

LAWS OF: 1983

CHAPTER: 530

Bill No: A3463

Sponsor(s): Schwartz and others

Date Introduced: April 25, 1983

Committee: Assembly: Housing and Urban Policy

Senate: State Government, Federal and Interstate Relations & Veterans Affairs

Amended during passage: Yes Substituted for S3315 (not attached since identical to A3563)

Date of Passage: Assembly: June 23, 1983

Senate: December 12, 1983

Date of Approval: January 17, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

See newspaper clipping (attached)

"COMMUNITY AFFAIRS CHIEF TELLS NEW HOUSING AGENCY OF MERGER BENEFITS" (NSL 6/15/84 - p.26)

"NEW STATE AGENCY WILL MARK \$109-MILLION MORTGAGE BARGAIN" (NSL 1/22/84-p.35)

[THIRD OFFICIAL COPY REPRINT]

**ASSEMBLY, No. 3463**

**STATE OF NEW JERSEY**

INTRODUCED APRIL 25, 1983

By Assemblyman SCHWARTZ, Assemblywoman PERUN, Assemblymen CHARLES, WATSON, Assemblywoman BROWN, Assemblymen MEYER, VAN WAGNER, PELLY, PATERNITI, DEVERIN, KARCHER, OTLOWSKI, KERN, VILLANE, McENROE, Assemblywoman KALIK and Assemblymen BRYANT and BROWN

AN ACT to consolidate the New Jersey Housing Finance Agency and the New Jersey Mortgage Finance Agency into a new agency to be known as the New Jersey Housing and Mortgage Finance Agency, establishing its powers and duties, providing for the financing by it of housing in the State and providing for the issuance of bonds, notes and other evidences of financial indebtedness by it.

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

1 1. This act shall be known as and may be cited as the "New Jersey  
2 Housing and Mortgage Finance Agency Law of 1983."

1 2. The Legislature hereby finds that:

2 a. Changing economic conditions and financial markets have  
3 reduced the availability in the private sector of feasible construction  
4 and permanent financing for (1) the construction of new housing,  
5 (2) the conversion of non-residential structures to housing, (3) the  
6 rehabilitation and improvement of existing housing and (4) the  
7 transfer of existing housing among owners; and these conditions  
8 pertain to both rental housing and owner-occupied housing;

9 b. The foregoing conditions adversely affect the economy of this  
10 State and reduce the number of opportunities for adequate and

**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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted May 26, 1983.

\*\*—Assembly amendments adopted June 13, 1983.

\*\*\*—Senate committee amendments adopted December 8, 1983.

11 affordable housing in the State that are available to New Jersey  
12 residents;

13 c. Since their creation the New Jersey Mortgage Finance Agency  
14 and the New Jersey Housing Finance Agency have contributed  
15 significantly to the achievement of the housing goals of New Jersey,  
16 providing over 30,000 units of affordable rental housing, and nearly  
17 30,000 loans for homeownership, as well as numerous loans for home  
18 improvement;

19 d. The continued contribution of these two agencies depends on  
20 the adaptation of their powers to changing federal housing pro-  
21 grams and policies, financing availability for housing and the  
22 housing needs of New Jersey residents; and

23 e. The combination and enhancement of the powers of the two  
24 agencies with respect to the full range of housing types would  
25 achieve an economy of scale and better equip the State to deal with  
26 the changing housing needs of an increasingly diverse population  
27 and economy.

28 The Legislature therefore declares that it is in the best interests  
29 of the residents of New Jersey to create a strong, unified advocate  
30 for housing production, finance and improvement which will  
31 combine available talent, resources and experience to:

32 (1) Assure the availability for both rental housing and  
33 owner-occupied housing of feasible construction and permanent  
34 financing for new housing construction, the conversion of  
35 non-residential structures to housing, the rehabilitation and  
36 improvement of existing housing, and the transfer of existing  
37 housing among owners;

38 (2) Stimulate the construction, rehabilitation and improve-  
39 ment of adequate and affordable housing in the State so as to  
40 increase the number of opportunities for adequate and afford-  
41 able housing in the State for New Jersey residents, including  
42 particularly New Jersey residents of low and moderate income;

43 (3) Enhance the productive capacity of the private sector in  
44 meeting the housing needs of the residents of the State;

45 (4) Assist in the revitalization of the State's urban areas;  
46 and

47 (5) Respond to changing housing demographic and economic  
48 circumstances by the development of innovative and flexible  
49 finance vehicles.

50 Therefore, this act provides for the consolidation of the New  
51 Jersey Housing Finance Agency and the New Jersey Mortgage  
52 Finance Agency into an agency to be known as the New Jersey  
53 Housing and Mortgage Finance Agency.

1 3. As used in this act:

2 a. "Agency" means the New Jersey Housing and Mortgage  
3 Finance Agency as consolidated by section 4 of this act, or, if that  
4 agency shall be abolished by law, the person, board, body or com-  
5 mission succeeding to the powers and duties thereof or to whom its  
6 powers and duties shall be given by law.

7 b. "Boarding house" means any building, together with any  
8 related structure, accessory building, any land appurtenant thereto,  
9 and any part thereof, which contains two or more units of dwelling  
10 space arranged or intended for single room occupancy, exclusive  
11 of any such unit occupied by an owner or operator, including: (1)  
12 any residential hotel or congregate living arrangement, but exclud-  
13 ing any hotel, motel or established guest house wherein a minimum  
14 of 85% of the units of dwelling space are offered for limited tenure  
15 only; (2) a residential health care facility as defined in section 1  
16 of P. L. 1953, c. 212 (C. 30:11A-1) or licensed pursuant to P. L.  
17 1971, c. 136 (C. 26:2H-1 et seq.); (3) any foster home as defined in  
18 section 1 of P. L. 1962, c. 137 (C. 30:4C-26.1); (4) any community  
19 residence for the developmentally disabled as defined in section 2  
20 of P. L. 1977, c. 448 (C. 30:11B-2); (5) any dormitory owned or  
21 operated on behalf of any nonprofit institution of primary, second-  
22 ary or higher education for the use of its students; (6) any building  
23 arranged for single room occupancy wherein the units of dwelling  
24 space are occupied exclusively by students enrolled in a full-time  
25 course of study at an institution of higher education approved by  
26 the Department of Higher Education; and (7) any facility or living  
27 arrangement operated by, or under contract with, any State depart-  
28 ment or agency.

29 c. "Bonds" mean any bonds, notes, bond anticipation notes,  
30 debentures or other evidences of financial indebtedness issued by  
31 the agency pursuant to this act.

32 d. "Continuing-care retirement community" means any work or  
33 undertaking, whether new construction, improvement or rehabilita-  
34 tion, which may be financed in part or in whole by the agency and  
35 which is designed to complement fully independent residential units  
36 with social and health care services (usually including nursing and  
37 medical services) for retirement families and which is intended to  
38 provide continuing care for the term of a contract in return for an  
39 entrance fee or periodic payments, or both, and which may include  
40 such appurtenances and facilities as the agency deems to be neces-  
41 sary, convenient or desirable.

42 e. "Eligible loan" means a loan, secured or unsecured, made for  
43 the purpose of financing the operation, maintenance, construction,

44 acquisition, rehabilitation or improvement of property, or the  
45 acquisition of a direct or indirect interest \*[(including a time-  
46 sharing interest)]\* in property, located in the State, which is or  
47 shall be: (1) primarily residential in character or (2) used or to be  
48 used to provide services to the residents of an area or project which  
49 is primarily residential in character. The agency shall adopt regula-  
50 tions defining the term "primarily residential in character", which  
51 may include single-family, multi-family and congregate or other  
52 single room occupancy housing, continuing-care retirement com-  
53 munities, mobile homes and nonhousing properties and facilities  
54 which enhance the livability of the residential property or area:  
55 and specifying the types of residential services and facilities for  
56 which eligible loans may be made, which may include, but shall not  
57 be limited to, parking facilities, streets, sewers, utilities, and  
58 facilities, food, laundry\*,\* health and other services and commercial  
59 establishments and professional offices providing supplies and  
60 services enhancing the area. The term "loan" includes an obligation  
61 the return on which may vary with any appreciation in value of the  
62 property or interest in property financed with the proceeds of the  
63 loan\*,\* or a coventured instrument by which an institutional lender  
64 or the agency assumes an equity position in the property\*. Any  
64A undivided interest in an eligible loan shall qualify as an eligible  
64B loan.

65 f. "Family" means two or more persons who live or expect to live  
66 together as a single household in the same dwelling unit; but any  
67 individual who (1) has attained retirement age as defined in section  
68 216a of the federal Social Security Act, or (2) is under a disability  
69 as defined in section 223 of that act, or (3) such other individuals  
70 as the agency by rule or regulation shall include, shall be considered  
71 as a family for the purpose of this act; and the surviving member  
72 of a family whose other members died during occupancy of a hous-  
73 ing project shall be considered as a family for the purposes of  
74 permitting continued occupancy of the dwelling unit occupied by  
75 such family.

76 g. "Gross aggregate family income" means the total annual in-  
77 come of all members of a family, from whatever source derived,  
78 including but not limited to, pension, annuity, retirement and social  
79 security benefits; except that there may be excluded from income  
80 (1) such reasonable allowances for dependents, (2) such reasonable  
81 allowances for medical expenses, (3) all or any proportionate part  
82 of the earnings of gainfully employed minors, or (4) such income  
83 as is not received regularly, as the agency by rule or regulation  
84 may determine.

85 h. "Housing project" or "project" means any work or undertak-  
86 ing, other than a continuing-care retirement community, whether  
87 new construction or rehabilitation, which is designed for the prim-  
88 ary purpose of providing rental housing of more than 25 dwelling  
89 units.

90 i. "Housing sponsor" means any person, partnership, corporation  
91 or association to which the agency has made or proposes to make  
92 a loan, either directly or through an institutional lender, for a  
93 housing project.

94 j. "Institutional lender" means any bank or trust company, sav-  
95 ings bank, national banking association, savings and loan associa-  
96 tion, or building and loan association maintaining an office in the  
97 State, or any insurance company or any mortgage banking firm or  
98 mortgage banking corporation authorized to transact business in  
99 the State.

100 k. "Life safety improvement" means any addition, modification  
101 or repair to a boarding house which is necessary to improve the  
102 life safety of the residents of the boarding house, as certified by  
103 the Department of Community Affairs.

104 l. "Life safety improvement loan" means an eligible loan the  
105 proceeds of which are to be used to finance, in whole or in part, the  
106 construction, acquisition or rendering of life safety improvements  
107 at or to boarding houses.

108 m. "Loan originator" means any bank or trust company, savings  
109 bank, national banking association, savings and loan association, or  
110 building and loan association maintaining an office in the State, or  
111 any insurance company or any mortgage banking firm or mortgage  
112 banking corporation authorized to transact business in the State,  
113 or any agency or instrumentality of the United States or the State  
114 or a political subdivision of the State, which is authorized to make  
115 eligible loans.

116 n. "Municipality" means any \***[political subdivision of the State**  
117 **other than a county or a school district]**\* *\*city of any class or any*  
117A *town, township, village or borough*.\*

118 o. "Mutual housing" means a housing project operated or to be  
119 operated upon completion of construction, improvement or rehabil-  
120 itation exclusively for the benefit of the families who are entitled to  
121 occupancy by reason of ownership of stock in the housing sponsor,  
122 or by reason of co-ownership of premises in a horizontal property  
123 regime pursuant to P. L. 1963, c. 168; but the agency may adopt  
124 rules and regulations permitting a reasonable percentage of space  
125 in such project to be rented for residential or for commercial use.

126 p. "Persons and families of low and moderate income" mean

127 persons and families, irrespective of race, creed, national origin or  
128 sex, determined by the agency to require assistance on account of  
129 personal or family income being not sufficient to afford adequate  
130 housing. In making such determination the agency shall take into  
131 account the following: (1) the amount of the total income of such  
132 persons and families available for housing needs, (2) the size of  
133 the family, (3) the cost and condition of housing facilities available  
134 and (4) the eligibility of such persons and families to compete  
135 successfully in the normal housing market and to pay the amounts  
136 at which private enterprise is providing sanitary, decent and safe  
137 housing. In the case of projects with respect to which income limits  
138 have been established by any agency of the federal government  
139 having jurisdiction thereover for the purpose of defining eligibility  
140 of low and moderate income families, the agency may determine  
141 that the limits so established shall govern. In all other cases income  
142 limits for the purpose of defining low or moderate income persons  
143 shall be established by the agency in its rules and regulations.

144 q. "Project cost" means the sum total of all costs incurred in the  
145 acquisition, development, construction, improvement or rehabilita-  
146 tion of a housing project, which are approved by the agency as  
147 reasonable or necessary, which costs shall include, but are not  
148 necessarily limited to, (1) cost of land acquisition and any buildings  
149 thereon, (2) cost of site preparation, demolition and development,  
150 (3) architect, engineer, legal, agency and other fees paid or payable  
151 in connection with the planning, execution and financing of the  
152 project, (4) cost of necessary studies, surveys, plans and permits,  
153 (5) insurance, interest, financing, tax and assessment costs and  
154 other operating and carrying costs during construction, (6) cost of  
155 construction, reconstruction, fixtures, and equipment related to the  
156 real property, (7) cost of land improvements, (8) necessary ex-  
157 penses in connection with initial occupancy of the project, (9) a  
158 reasonable profit or fee to the builder and developer, (10) an allow-  
159 ance established by the agency for working capital and contingency  
160 reserves, and reserves for any operating deficits, (11) costs of  
161 guarantees, insurance or other additional financial security for the  
162 project and (12) the cost of such other items, including tenant  
163 relocation, as the agency shall determine to be reasonable and  
164 necessary for the development of the project, less any and all net  
165 rents and other net revenues received from the operation of the real  
166 and personal property on the project site during construction, im-  
167 provement or rehabilitation.

168 All costs shall be subject to approval and audit by the agency.  
169 The agency may adopt rules and regulations specifying in detail

170 the types and categories of cost which shall be allowable if actually  
171 incurred in the development, acquisition, construction, improvement  
172 or rehabilitation of a housing project.

173 r. "Retirement family" means one or more persons related by  
174 blood, marriage or adoption who live or expect to live together as  
175 a single household in the same dwelling unit, provided that at least  
176 one of the persons is an individual who (1) has attained retirement  
177 age as defined in section 216a of the Federal Social Security Act, or  
178 (2) is under a disability as defined in section 223 of that act, or (3)  
179 such individuals as the agency by rule or regulation shall include;  
180 and provided further, that the surviving member of a retirement  
181 family whose other members died during occupancy of a con-  
182 tinuing-care retirement community shall be considered as a retire-  
183 ment family for purposes of permitting continued occupancy of the  
184 dwelling unit occupied by such retirement family.

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

8 b. In this section, the words "original agencies" refer to the  
9 agencies which are consolidated pursuant to subsection a. of this  
10 section before their consolidation, and the word "agency" refers  
11 to the single agency resulting from that consolidation.

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

16 d. All debts, liabilities, obligations, agreements and covenants of  
17 the original agencies are hereby imposed upon the agency. Any  
18 property of the original agencies in which a mortgage or security  
19 interest has been granted to any bondholders or other creditors of  
20 either of the original agencies shall continue to be subject to that  
21 mortgage or security interest until the mortgage or security interest  
22 is *\*defeased or\** terminated in accordance with its terms. All bond-  
23 holders and other creditors of the original agencies and persons  
24 having claims against or contracts with the original agencies of any  
25 kind or character may enforce those debts, claims and contracts  
26 against the agency in the same manner as they might have against  
27 the original agencies respectively, and the rights and remedies of  
28 those bondholders, creditors and persons having claims or contracts  
28A shall not be limited or restricted in any manner by this act.



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

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

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

39 h. All employees of the original agencies shall become employees  
40 of the agency. Nothing in this title shall affect the civil service  
41 status, if any, of those employees or their rights, privileges, obli-  
42 gations or status with respect to any pension or retirement system.

43 i. The agency is hereby established in, but not of, the Department  
44 of Community Affairs and constituted a body politic and corporate  
45 and an instrumentality exercising public and essential govern-  
46 mental functions, and the exercise by the agency of the powers  
47 conferred by this act shall be deemed and held to be an essential  
48 governmental function of the State.

49 j. The agency shall consist of the Commissioner of the Depart-  
50 ment of Community Affairs, the State Treasurer, the Attorney  
51 General and the Commissioner of Banking, who shall be members  
52 ex officio, and three members appointed by the Governor with the  
53 advice and consent of the Senate for terms of three years. The  
54 three members appointed by the Governor shall be residents of the  
55 State and shall have knowledge in the areas of housing design,  
56 construction or operation; finance; urban redevelopment; or com-  
57 munity relations. The members first appointed by the Governor  
58 shall serve for terms of one year, two years and three years re-  
59 spectively. Each member shall hold office for the term of his  
60 appointment and until his successor shall have been appointed and  
61 qualified. A member of the agency shall be eligible for reappoint-  
62 ment.

63 k. Each ex officio member of the agency may designate an officer  
64 or employee of his department or agency to represent him at  
65 meetings of the agency, and each designee may lawfully vote and  
66 otherwise act on behalf of the member for whom he constitutes  
67 the designee. Any designation shall be in writing, delivered to the  
68 agency and shall continue in effect until revoked or amended by  
69 writing, delivered to the agency.

70 \*\*\*[i.]\*\*\* \*\*l.\*\*\* Each member of the agency may be removed  
71 from office by the Governor, for cause, after a public hearing and

72 may be suspended by the Governor pending the completion of such  
73 a hearing. Each member of the agency before entering upon his  
74 duties shall take and subscribe an oath to perform the duties of the  
75 office faithfully, impartially and justly to the best of his ability. A  
76 record of these oaths shall be filed in the office of the Secretary  
76A of State.

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

80 n. The Commissioner of the Department of Community Affairs  
81 shall be the chairman of the agency and the members shall elect  
82 one of their number as vice-chairman thereof. The agency shall  
83 elect a secretary and a treasurer who need not be members; but  
84 the same person may be elected to serve both as secretary and  
85 treasurer. The powers of the agency shall be vested in the members  
86 thereof in office from time to time and four **\*[voting]\*** members  
87 (which shall include at least two ex officio members) of the agency  
88 shall constitute a quorum at any meeting thereof. Action may be  
89 taken and motions and resolutions adopted by the agency at any  
90 meeting thereof by the affirmative vote of at least four **\*[voting]\***  
91 members of the agency, which shall include at least two ex officio  
92 members. No vacancy in the membership of the agency shall im-  
93 pair the right of a quorum to exercise all the powers and perform  
94 all the duties of the agency.

95 o. A true copy of the minutes of every meeting of the **\*[author-**  
96 **ity]\*** *agency* shall be forthwith delivered by and under the certi-  
97 fication of the secretary thereof to the Governor. No action taken  
98 at such meeting by the **\*[authority]\*** *agency* shall have force or  
99 effect until 10 days, Saturdays, Sundays, and public holidays ex-  
100 cepted, after such copy of the minutes shall have been so delivered  
101 unless during such 10-day period the Governor shall approve the  
102 same in which case such action shall become effective upon such  
103 approval. If, in said 10-day period, the Governor returns such  
104 copy of the minutes with veto of any action taken by the **\*[author-**  
105 **ity]\*** *agency* or any member thereof at such meeting, such action  
106 shall be null and void and of no effect. The Governor may approve  
107 all or part of the action taken at such meeting prior to the expira-  
107A tion of the said 10-day period.

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

111 q. Notwithstanding the provisions of any other law, no officer or  
112 employee of the State shall be deemed to have forfeited or shall

113 forfeit his office or employment or any benefits or emoluments  
114 thereof by reason of acceptance of the office of member of the  
115 agency or his services in such office.

116 r. The agency may be dissolved by act of the Legislature on  
117 condition that the agency has no debts or obligations outstanding or  
118 provision has been made for the payment or retirement of its  
119 debts or obligations. Upon dissolution of the agency all property,  
120 funds and assets thereof shall be vested in the State.

1 5. In order to carry out the purposes and provisions of this act,  
2 the agency, in addition to any powers granted to it elsewhere in  
3 this act, shall have the following powers:

4 a. To adopt bylaws for the regulation of its affairs and the  
5 conduct of its business; to adopt an official seal and alter the same  
6 at pleasure; to maintain an office at such place or places within  
7 the State as it may designate; to sue and be sued in its own name;

8 b. To conduct examinations and hearings and to hear testimony  
9 and take proof, under oath or affirmation, at public or private  
10 hearings, on any matter material for its information and necessary  
11 to carry out the provisions of this act;

12 c. To issue subpoenas requiring the attendance of witnesses and  
13 the production of books and papers pertinent to any hearing be-  
14 fore the agency, or before one or more of the members of the agency  
15 appointed by it to conduct a hearing;

16 d. To apply to any court, having territorial jurisdiction of the  
17 offense, to have punished for contempt any witness who refuses to  
18 obey a subpoena, or who refuses to be sworn or affirmed to testify,  
19 or who is guilty of any contempt after summons to appear;

20 e. To acquire by purchase, gift, foreclosure or condemnation any  
21 real or personal property, or any interest therein, to enter into any  
22 lease of property and to hold, sell, assign, lease, encumber, mort-  
23 gage or otherwise dispose of any real or personal property, or  
24 any interest therein, or mortgage lien interest owned by it or under  
25 its control, custody or in its possession and release or relinquish  
26 any right, title, claim, lien, interest, easement or demand however  
27 acquired, including any equity or right of redemption, in property  
28 foreclosed by it and to do any of the foregoing by public or pri-  
29 vate sale, with or without public bidding, notwithstanding the  
30 provisions of any other law;

31 f. To acquire, hold, use and dispose of its income, revenues,  
32 funds and moneys;

33 g. To adopt rules and regulations expressly authorized by this  
34 act and such additional rules and regulations as shall be necessary  
35 or desirable to carry out the purposes of this act\*\*\*[; it]\*\*\* \*\*.

36 *The agency shall adopt regulations which provide for consultation*  
36A *with housing sponsors regarding the formulation of agency rules*  
36B *and regulations governing the operation of housing projects and*  
36C *which require the agency to consult with the affected housing spon-*  
36D *sor prior to taking any and all specific proposed agency actions*  
36E *relating to the sponsor's housing project. The agency\*\*\* shall*  
36F *publish \*\*\*[the same]\*\*\* \*\*\*all rules and regulations\*\*\* and file*  
36G *them with the Secretary of State;*

37 h. To borrow money or secure credit on a temporary, short-  
38 term, interim or long-term basis, and to issue negotiable bonds and  
39 to secure the payment thereof and to provide for the rights of the  
40 holders thereof;

41 i. To make and enter into and enforce all contracts and agree-  
42 ments necessary, convenient or desirable to the performance of  
43 its duties and the execution of its powers under this act, including  
44 contracts or agreements with qualified financial institutions for  
45 the servicing and processing of eligible loans owned by the agency;

46 j. To appoint and employ an executive director, who shall be the  
47 chief executive officer of the agency, and additional officers, who  
48 need not be members of the agency as the agency deems advisable,  
49 and to employ architects, engineers, attorneys, accountants, con-  
50 struction and financial experts and other employees and agents as  
51 may be necessary in its judgment and to determine their qualifica-  
52 tions, terms of office, duties and compensation; and to promote  
53 and discharge such officers, employees and agents, all without re-  
54 gard to the provisions of Title 11 of the Revised Statutes, Civil  
55 Service;

56 k. To contract for and to receive and accept any gifts, grants,  
57 loans or contributions from any source, of money, property, labor  
58 or other things of value, to be held, used and applied to carry out  
59 the purposes of this act subject to the conditions upon which the  
60 grants and contributions may be made, including, but not limited  
61 to, gifts or grants from any department or agency of the United  
62 States or the State for payment of rent supplements to eligible  
63 families or for the payment in whole or in part of the interest  
64 expense for a housing project or for any other purpose consistent  
65 with this act;

66 l. To enter into agreements to pay annual sums in lieu of taxes  
67 to any political subdivision of the State with respect to any real  
68 property owned or operated directly by the agency;

69 m. To procure insurance against any loss in connection with its  
70 operations, property and other assets (including eligible loans) in  
71 the amounts and from the insurers it deems desirable;

72 n. To the extent permitted under its contract with the holders of  
73 bonds of the agency, to consent to any modification with respect to  
74 rate of interest, time and payment of any installment of principal  
75 or interest, security or any other terms of any loan to an insti-  
76 tutional lender, eligible loan, loan commitment, contract or  
77-78 agreement of any kind to which the agency is a party;

79 o. To the extent permitted under its contract with the holders of  
80 bonds of the agency, to enter into contracts with any housing spon-  
81 sor containing provisions enabling the housing sponsor to reduce  
82 the rental or carrying charges to persons unable to pay the regular  
83 schedule of charges \***[whereby]**\* *where, by* reason of other in-  
84 come or payment from the agency, any department or agency of  
85 the United States or the State, these reductions can be made with-  
86 out jeopardizing the economic stability of the housing project;

87 p. To make and collect the fees and charges it determines are  
88 reasonable;

89 q. To the extent permitted under its contract with the holders of  
90 bonds of the agency, to invest and reinvest any moneys of the  
91 agency not required for immediate use, including proceeds from  
92 the sale of any obligations of the agency, in obligations, securities  
93 or other investments as the agency deems prudent. All functions,  
94 powers and duties relating to the investment or reinvestment of  
95 these funds, including the purchase, sale or exchange of any in-  
96 vestments or securities may, upon the request of the agency, be  
97 exercised and performed by the Director of the Division of Invest-  
98 ment in the Department of the Treasury, in accordance with written  
99 directions of the agency signed by an authorized officer, without  
100 regard to any other law relating to investments by the Director of  
101 the Division of Investment;

102 r. To provide, contract or arrange for, \***[whereby]**\* *where, by*  
103 reason of the financing arrangement, review of the application and  
104 proposed construction of a project is required by or in behalf of any  
105 department or agency of the United States, consolidated processing  
106 of the application or supervision or, in the alternative, to delegate  
107 the processing in whole or in part to any such department or  
108 agency;

109 s. To make eligible loans, and to participate with any depart-  
110 ment, agency or authority of the United States or of any state  
111 thereof, this State, a municipality, or any banking institution,  
112 foundation, labor union, insurance company, trustee or fiduciary  
113 in an eligible loan, \***[to a housing sponsor]**\* secured by a single  
114 participating mortgage, by separate mortgages or by other security  
115 agreements, the interest of each having equal priority as to lien in

116 proportion to the amount of the loan so secured, but which need not  
117 be equal as to interest rate, time or rate of amortization or other-  
118 wise, and to undertake commitments to make such loans;

119 t. To assess from time to time the housing needs of any munici-  
120 pality which is experiencing housing shortages as a result of the  
121 authorization of casino gaming and to address those needs when  
122 planning its programs;

123 u. To sell *\*any eligible loan made by the agency or any loan to an*  
124 *institutional lender owned by the agency\**, at public or private sale,  
125 with or without bidding, *\*[any]\* \*either singly or in groups, or in*  
126 *shares of loans or shares of groups of loans, issue securities, certi-*  
127 *ficates or other evidence of ownership secured by such loans or*  
128 *groups of loans, sell the same to investors, arrange for the market-*  
128A *ing of the same; and to deposit and invest the funds derived from*  
128B *such sales in any manner authorized by this act;\** *\*[eligible loan*  
128C *or loan owned by the agency to an institutional lender;]\**

128D v. To make commitments to purchase, and to purchase, service  
128E and sell, eligible loans\*, *pools of loans or securities based on loans,\**  
128F insured *\*or issued\** by any department or agency of the United  
128G States, and to make loans directly upon the security of any such  
128H loan\*, *pools of loans or securities\**;

129 w. To provide such advisory consultation, training and educa-  
130 tional services as will assist in the planning, construction, rehabili-  
131 tation and operation of housing including but not limited to assist-  
132 ance in community development and organization, home manage-  
133 ment and advisory services for residents and to encourage com-  
134 munity organizations and local governments to assist in developing  
135 housing;

136 x. To encourage research in and demonstration projects to de-  
137 velop new and better techniques and methods for increasing the  
138 supply, types and financing of housing and housing projects in the  
139 State and to engage in these research and demonstration projects  
140 and to receive and accept contributions, grants or aid, from any  
141 source, public or private, including but not limited to the United  
142 States and the State, for carrying out this purpose;

143 y. To provide to housing sponsors, through eligible loans or  
144 otherwise, financing, refinancing or financial assistance for fully  
145 completed, as well as partially completed, projects which may or  
146 may not be occupied, if the projects meet all the requirements of  
147 this act, except that, prior to the making of the mortgage loan by  
148 the agency, said projects need not have complied with sections  
149 7. a. (9) and 40 of this act;

150 \*z. *To encourage and stimulate cooperatives and other forms of*  
151 *housing with tenant participation;*

152 *aa. To promote innovative programs for home ownership, in-*  
 153 *cluding but not limited to lease-purchase programs, employer-*  
 154 *sponsored housing programs, and tenant cooperatives.*

155 *bb. To set aside and designate, out of the funds that are or may*  
 156 *become available to it for the purpose of financing housing in this*  
 157 *State pursuant to the terms of this act, certain sums or proportions*  
 158 *thereof to be used for the financing of housing and home-ownership*  
 159 *opportunities, including specifically lease-purchase arrangements,*  
 160 *provided by employers to their employees through nonprofit or*  
 161 *limited-dividend corporations or associations created by employers*  
 162 *for that purpose; and to establish priority in funding, offer bonus*  
 163 *fund allocations, and institute other incentives to encourage such*  
 164 *employer-sponsored housing and home-ownership opportunities;\**

165 *\*[z.]\* \*cc.\* Subject to any agreement with bondholders, to col-*  
 166 *lect, enforce the collection of, and \*[foreclosure]\* \*foreclose\**  
 167 *on any property or collateral securing its eligible loan or loans to*  
 168 *institutional lenders and acquire or take possession of such prop-*  
 169 *erty or collateral and sell the same at public or private sale, with*  
 170 *or without bidding, and otherwise deal with such collateral as may*  
 171 *be necessary to protect the interests of the agency therein;*

172 *\*[aa.]\* \*dd.\* To administer and to enter into agreements to ad-*  
 173 *minister programs of the federal government or any other entity*  
 174 *which are in furtherance of the purposes of this act;*

175 *\*[bb.]\* \*ee.\* To do and perform any acts and things authorized*  
 176 *by this act under, through, or by means of its officers, agents or*  
 177 *employees or by contracts with any person, firm or corporation; and*

178 *\*[cc.]\* \*ff.\* To do any acts and things necessary or convenient*  
 179 *to carry out the powers expressly granted in this act.*

1 6. a. The agency, in order to encourage the development, opera-  
 2 tion, maintenance, construction, improvement and rehabilitation of  
 3 safe and adequate housing in the State, is hereby authorized and  
 4 empowered to finance, by the making of eligible loans or otherwise,  
 5 the construction, improvement or rehabilitation of housing projects  
 6 in the State.

7 b. The agency, in order to carry out the purposes of subsection  
 8 a. of this section, may:

9 (1) accept applications for loans;

10 (2) enter into agreements with housing sponsors for perma-  
 11 nent loans and temporary loans or advances in anticipation  
 12 of permanent loans for the developments, operation, mainte-  
 13 nance, construction, improvement or rehabilitation of housing  
 14 projects; and

15 (3) make permanent loans and temporary loans or advances  
16 in anticipation of permanent loans to housing sponsors under  
17 the provisions of this act.

18 c. No application for a loan for the construction, improvement  
19 or rehabilitation of a housing project containing rental units to be  
20 rented at below market rates to be located in any municipality shall  
21 be processed unless there is already filed with the secretary of the  
22 agency a certified copy of a resolution adopted by the municipality  
23 reciting that there is a need for such housing projects in the mu-  
24 nicipality.

25 d. Every application for a loan to a housing sponsor shall be  
26 made on forms furnished by the agency and shall contain such  
27 information as the agency shall require.

28 e. In considering any application for a loan for a housing project,  
29 the agency shall give first priority to applications for loans for the  
30 construction, improvement or rehabilitation of housing projects  
31 which will be a part of or constructed in connection with an urban  
32 redevelopment program, and also shall give consideration to:

33 (1) the comparative need of the area to be served by the  
34 proposed project for housing;

35 (2) the ability of the applicant to construct, operate, manage  
36 and maintain the proposed housing project;

37 (3) the existence of zoning or other regulations to protect  
38 adequately the proposed housing project against detrimental  
39 future uses which could cause undue depreciation in the value  
40 of the project;

41 (4) the availability of adequate parks, recreational areas,  
42 utilities, schools, transportation and parking;

43 (5) the availability of adequate, accessible places of employ-  
44 ment; and

45 (6) where applicable, the eligibility of the applicant to make  
46 payments to the municipality in which the housing project is  
47 located in lieu of local property taxes.

1 7. a. Loans made by the agency to finance housing projects shall  
2 be subject to the following terms and conditions:

3 (1) The loan shall be for a period of time not in excess of  
4 50 years as determined by the agency;

5 (2) The amount of the loan shall not exceed 90% of the total  
6 project cost as determined by the agency, except that as to  
7 projects to be owned, constructed, improved, rehabilitated,  
8 operated, managed and maintained as mutual housing or by  
9 any corporation or association organized not for profit which  
10 has as one of its purposes the construction, improvement or



11 rehabilitation of housing projects, the amount of the loan shall  
12 not exceed 100% of the total project cost as determined by the  
13 agency; but the agency may make additional loans to a hous-  
14 ing sponsor to which a loan by the agency for the cost of a  
15 project is outstanding if and to the extent that the agency  
16 finds that such additional loan is required to more adequately  
17 secure and protect the project or to avoid a default by the  
18 sponsor on the original loan for the cost of the project and  
19 is in the best interest of the agency and the holders of its  
20 bonds issued to finance the original loan for the cost of the  
21 project;

22 (3) The interest rate on the loan shall be established by the  
23 agency at the lowest level consistent with the agency's cost of  
24 operation and its responsibilities to the holders of its bonds;

25 (4) The loan shall be evidenced by a mortgage note or bond  
26 and by a mortgage which shall be a first lien on the project  
27 and which shall contain such terms and provisions and be in  
28 a form approved by the agency. The agency shall require the  
29 qualified housing sponsor receiving a loan or its contractor to  
30 post security in amounts related to the project cost as estab-  
31 lished by regulation and to execute such other assurances and  
32 guarantees as the agency may deem necessary and may require  
33 its principals or stockholders to also execute such other assur-  
34 ances and guarantees as the agency may deem necessary;

35 (5) The loan shall be subject to an agreement between the  
36 agency and the housing sponsor which will subject the housing  
37 sponsor and its principals or stockholders to limitations estab-  
38 lished by the agency as to rentals and other charges, builders'  
39 and developers' profits and fees, and the disposition of its  
40 property and franchises to the extent more restrictive limita-  
41 tions are not provided by the law under which the borrower is  
42 incorporated or organized;

43 (6) The loan shall be subject to an agreement between the  
44 agency and the housing sponsor limiting the housing sponsor  
45 and its principals or stockholders to such rate of return on its  
46 investment in the housing project to be assisted with a loan  
47 from the agency as shall be fixed from time to time by the  
48 agency in its regulations which shall take into account the  
49 prevailing rates of return available for similar investments  
50 and the risks associated with the development of the project,  
51 together with factors designed to promote the objectives of  
52 providing affordable housing, encouraging investment in urban  
53 development areas, maintaining and improving the existing

54 housing stock, and other objectives of this act; but agreements  
55 entered into by the predecessors of the agency prior to the  
56 effective date of this act shall continue to be subject to any  
57 restrictions on rate of return imposed by prior law unless  
58 those restrictions are expressly modified pursuant to regula-  
59 tions of the agency. No housing sponsor which is permitted  
60 by the provisions of the law under which it is organized or  
61 incorporated to earn a return on its investment, nor any of  
62 the principals or stockholders of that housing sponsor, shall  
63 earn, accept or receive a return on investment greater than  
64 the rate of return fixed by the agency in any housing project  
65 assisted with a loan from the agency, whether upon the com-  
66 pletion of the construction, improvement or rehabilitation of  
67 the project, or upon the operation thereof, or upon the sale,  
68 assignment or lease of the project to any other person, associa-  
69 tion or corporation. Any person, association or corporation  
70 who violates the provisions of this subsection is guilty of a  
71 crime of the fourth degree;

72 (7) No loan shall be executed except a loan made to a  
73 corporation or association organized not for profit which has  
74 as one of its purposes the development, construction, improve-  
75 ment or rehabilitation of housing projects or for mutual hous-  
76 ing unless the housing sponsor agrees (a) to certify upon  
77 completion of project construction, improvement or rehabilita-  
78 tion, subject to audit by the agency, either that the actual  
79 project cost as defined herein exceeded the amount of the loan  
80 proceeds by 10% or more, or the amount by which the loan  
81 proceeds exceed 90% of the total project cost, and (b) to pay  
82 forthwith to the agency, for application to reduction of the  
83 principal of the loan, the amount, if any, of such excess loan  
84 proceeds, subject to audit and determination by the agency.  
85 No loan shall be made to a corporation or association orga-  
86 nized not for profit or for mutual housing unless the corpora-  
87 tion or association organized not for profit or for mutual  
88 housing agrees to certify the actual project cost upon comple-  
89 tion of the project, subject to audit and determination by the  
90 agency, and further agrees to pay forthwith to the agency, for  
91 application to reduction of the principal of the loan, the  
92 amount, if any, by which the proceeds of the loan exceed the  
93 certified project cost subject to audit and determination by  
94 the agency. Notwithstanding the provisions of this paragraph,  
95 the agency may accept, in lieu of any certification of project  
96 cost as provided herein, such other assurances of the project

97 cost in any form or manner whatsoever, as will enable the  
98 agency to determine with reasonable accuracy the amount of  
99 the project cost;

100 (8) No loan shall be made for the construction, improve-  
101 ment or rehabilitation of a housing project for which tax  
102 exemption is granted by a municipality unless the tax exemp-  
103 tion remains in effect during the entire term of the loan, unless  
104 a lesser period of tax exemption is approved by the agency; and

105 (9) The loan shall be subject to an agreement between the  
106 agency and the qualified housing sponsor which contains a  
107 provision stating the prevailing wage rate, as determined by  
108 either the Commissioner of Labor and Industry or the Secre-  
109 tary of the United States Department of Labor in accordance  
110 with the provisions of section 40 of this act, which can be paid  
111 to the workmen employed in the performance of any contract  
112 for the construction or rehabilitation of any housing project,  
113 and which stipulates that the qualified housing sponsor, or  
114 any builder, contractor or subcontractor thereof, shall pay to  
115 such workmen not less than the applicable prevailing wage  
116 rate pursuant to that section.

117 b. As a condition of any loan to finance a housing project, the  
118 agency shall have the power at all times during the construction,  
119 improvement or rehabilitation of a housing project and the opera-  
120 tion thereof:

121 (1) To enter upon and inspect without prior notice any  
122 project, including all parts thereof, for the purpose of inves-  
123 tigating the physical and financial condition thereof, and its  
124 construction, improvement, rehabilitation, operation, manage-  
125 ment and maintenance, and to examine all books and records  
126 with respect to capitalization, income and other matters relat-  
127 ing thereto and to make such charges as may be required to  
128 cover the cost of such inspections and examinations;

129 (2) To order such alterations, changes or repairs as may be  
130 necessary to protect the security of its investment in a housing  
131 project or the health, safety, and welfare of the occupants  
132 thereof;

133 (3) To order any managing agent, project manager or owner  
134 of a housing project to do such acts as may be necessary to  
135 comply with the provisions of all applicable laws or ordinances  
136 or any rule or regulation of the agency or the terms of any  
137 agreement concerning the project or to refrain from doing  
138 any acts in violation thereof and in this regard the agency  
139 shall be a proper party to file a complaint and to prosecute

140 thereon for any violations of law or ordinances as set forth  
141 herein;

142 (4) To require the adoption and continuous use of uniform  
143 systems of accounts and records for a project and to require  
144 all owners or managers of a project to file annual reports  
145 containing that information and verified in such manner as  
146 the agency shall require, and to file at the times and on the  
147 forms as it may prescribe, reports and answers to specific  
148 inquiries required by the agency to determine the extent of  
149 compliance with any agreement, the terms of the loan, the pro-  
150 visions of this act and any other applicable law;

151 (5) To enforce, by court action if necessary, the terms and  
152 provisions of any agreement between the agency and the hous-  
153 ing sponsor and the terms of any agreement between the hous-  
154 ing sponsor and any municipality granting tax exemption, as  
155 to schedules of rental or carrying charges, income limits as  
156 applied to tenants or occupants, or any other limitation im-  
157 posed upon the housing sponsor as to financial structure, con-  
158 struction or operation of the project; **\*\*\*[and]\*\*\***

159 (6) **\*\*\*[In]\*\*\*** *\*\*\*Subject to the provisions of paragraph*  
160 *(7) of subsection b. of this section, in\*\*\** the event of a violation  
161 by the housing sponsor of the terms of any agreement between  
162 the agency and the housing sponsor, or between the munici-  
163 pality granting tax exemption and the housing sponsor, or in  
164 the event of a violation by the housing sponsor of this act or  
165 of the terms of the loan agreement or of any rules and regu-  
166 lations of the agency duly promulgated pursuant to this act,  
167 or in the event that the agency shall determine that any loan  
168 or advance from the Housing Development Fund pursuant to  
169 section 28 of this act is in jeopardy of not being repaid, the  
170 agency may, without resort to any judicial process, assume  
171 all of the powers and duties of the housing sponsor in the  
172 management and operation of the project, including but not  
173 limited to the power to receive all revenues and pay all  
174 expenses of the project and the power to control all property,  
175 including bank accounts and cash, owned by the housing spon-  
176 sor. The agency may appoint such person or persons whom  
177 the agency in its sole discretion deems advisable, including  
178 officers or employees of the agency, to perform the functions  
179 of the officers or other controlling persons of the housing  
180 sponsor. Persons so appointed need not be stockholders or  
181 meet other qualifications which may be prescribed by the  
182 certificate of incorporation, bylaws or partnership agreement

183 of the housing sponsor. In the absence of fraud or bad faith,  
 184 persons so appointed shall not be personally liable for debts,  
 185-186 obligations or liabilities of the housing sponsor. Persons so  
 187 appointed shall serve only for a period coexistent with the  
 188 duration of the violation or until the agency is assured in a  
 189 manner satisfactory to it that the violation, or violations of  
 190 a similar nature, will not reoccur. Persons so appointed shall  
 191 serve in such capacity without compensation, but shall be  
 192 entitled to be reimbursed, if and as the certificate of incorpora-  
 193 tion, bylaws or partnership agreement of the housing sponsor  
 194 may provide, for all necessary expenses incurred in the dis-  
 195 charge of their duties as determined by the agency\*\*\*.\*\*\*

196 \*\*\*; and\*\*\*

197 *\*\*\* (7) The provisions of this subsection and this act per-*  
 198 *taining to the regulation of housing sponsors shall be for*  
 199 *purposes of protecting the collateral for any loan or loans;*  
 200 *implementing or enforcing any condition, requirement or cri-*  
 201 *teria for loans as provided in this act or other applicable law;*  
 202 *and securing the rights and remedies of lenders and bond*  
 203 *holders to the extent of the undertakings of the agency. Sub-*  
 204 *ject to the foregoing, the agency shall permit, provide for and*  
 205 *encourage the right of local housing sponsors to exercise their*  
 206 *own initiative and competence in the administration of their*  
 207 *assets and the conduct and operation of housing projects and*  
 208 *exercise their rights and responsibilities to the fullest extent*  
 209 *permitted by law. Therefore, the agency shall exercise its*  
 210 *remedies and powers under paragraph (6) of this subsection*  
 211 *only with regard to material violations and only after reason-*  
 212 *able notice and reasonable opportunity to correct the violation*  
 213 *is provided to the housing sponsor in accordance with regula-*  
 214 *tions adopted by the agency.\*\*\**

1 8. a. Admission to housing projects constructed, improved or  
 2 rehabilitated under this act shall be limited to families whose  
 3 gross aggregate family income at the time of admission does not  
 4 exceed six times the annual rental or carrying charges, including  
 5 the value or cost to them of heat, light, water, sewerage, parking  
 6 facilities and cooking fuel, of the dwellings that may be furnished  
 7 to such families, or seven times those charges if there are three or  
 8 more dependents. There may be included in the carrying charges  
 9 to any family for residence in any mutual housing project con-  
 10 structed, improved or rehabilitated with a loan from the agency  
 11 an amount equal to 6% of the original cash investment of the  
 12 family in the mutual housing project and, to the extent authorized

13 by the agency where not included in the carrying charges, the  
14 value or cost of repainting the apartment and replacing any  
15 fixtures or appliances. Notwithstanding the provisions of this  
16 section, no family or individual shall be eligible for admission to  
17 any housing project constructed, improved or rehabilitated with a  
18 loan from the agency, whose gross aggregate family income ex-  
19 ceeds such amount as shall be established from time to time by  
20 the agency, by rules or regulations promulgated hereunder; except  
21 that with respect to any project financed by an agency loan insured  
22 or guaranteed by the United States of America or any agency or  
23 instrumentality thereof, the agency may adopt the admission  
24 standards for such projects then currently utilized or required by  
25 the guarantor or insurer.

26-29 b. The agency shall by rules and regulations provide for the  
30 periodic examination of the income of any person or family resid-  
31 ing in any housing project constructed, improved or rehabilitated  
32 with a loan from the agency. If the gross aggregate family income  
33 of a family residing in a housing project increases and the ratio to  
34 the current rental or carrying charges of the dwelling unit becomes  
35 greater than the ratio prescribed for admission in subsection a. of  
36 this section but is not more than 25% above the family income so  
37 prescribed for admission to the project, the owner or managing  
38 agent of the housing project shall permit the family to continue to  
39 occupy the unit. The agency or (with the approval of the agency)  
40 the housing sponsor of any housing project constructed, improved  
41 or rehabilitated with a loan from the agency, may terminate the  
42 tenancy or interest of any family residing in the housing project  
43 whose gross aggregate family income exceeds by 25% or more the  
44 amount prescribed herein and which continues to do so for a period  
45 of six months or more; but no tenancy or interest of any such  
46 family in any such housing project shall be terminated except upon  
47 reasonable notice and opportunity to obtain suitable alternate hous-  
48 ing, in accordance with rules and regulations of the agency; and  
49 any such family, with the approval of the agency, may be permitted  
50 to continue to occupy the unit, subject to payment of a rent or  
51 carrying *\*charge\** surcharge to the housing sponsor in accordance  
52 with a schedule of surcharges fixed by the agency. The housing  
53 sponsor shall pay the surcharge to the municipality granting tax  
54 exemption, but only up to an amount that together with payments  
55 made to the municipality in lieu of taxes and for any land taxes  
56 equals 25% of the total rents or carrying charges of the housing  
57 project for the current and any prior years that the project has  
57A been in operation.

58 c. For projects on which the agency has made a loan and financed  
59 the loan with the proceeds of bonds issued prior to January 1, 1973,  
60 any remainder of the surcharge, or the total surcharge if tax  
61 exemption has not been granted, shall be paid into the housing  
62 finance fund securing the bonds issued to finance the project for  
63 the use of the agency; for projects financed on or after January 1,  
64 1973, any remainder of the surcharge, or the total surcharge if  
65 tax exemption has not been granted, shall be paid to the agency.

66 d. Any family residing in a mutual housing project required to  
67 remove from the project because of excessive income as herein  
68 provided shall be discharged from liability on any note, bond or  
69 other evidence of indebtedness relating thereto and shall be reim-  
70 bursed, in accordance with the rules of the agency, for all sums  
71 paid by the family to the housing sponsor on account of the pur-  
72 chase of stock or debentures as a condition of occupancy or on  
73 account of the acquisition of title for such purpose.

74 e. The agency shall establish admission rules and regulations for  
75 any housing project financed in whole or in part by loans authorized  
76 hereunder which shall provide priority categories for persons dis-  
77 placed by urban renewal projects, highway programs or other  
78 public works, persons living in substandard housing, persons and  
79 families who, by reason of family income, family size or disabilities,  
80 have special needs, elderly persons and families living under condi-  
81 tions violative of minimum health and safety standards.

1 9. a. The agency may institute any action or proceeding against  
2 any housing sponsor receiving a loan under the provisions hereof,  
3 or owning any housing project hereunder in any court of competent  
4 jurisdiction in order to enforce the provisions of this act, or to  
5 foreclose its mortgage, or to protect the public interest, the tenants,  
6 the stockholders or creditors of the sponsor. In connection with  
7 any such action or proceeding it may apply for the appointment  
8 of a receiver to take over, manage, operate and maintain the  
9 affairs of the housing sponsor and the agency, through the agent as  
10 it shall designate, is authorized to accept appointment as receiver  
11 of the sponsor when so appointed by a court of competent juris-  
12 diction.

13 b. The reorganization of any housing sponsor shall be subject to  
14 the supervision and control of the agency, and no reorganization  
15 shall be had without the consent of the agency. Upon a reorganiza-  
16 tion, the amount of capitalization, including stocks, income deben-  
17 tures and bonds and other evidences of indebtedness, shall be as  
18 authorized by the agency, but not in excess of the fair value of the  
19 property received.

1 10. a. In any foreclosure action involving a housing sponsor other  
2 than a foreclosure action instituted by the agency, the agency and  
3 the municipality in which any tax exemption or abatement is pro-  
4 vided to the housing sponsor shall, in addition to other necessary  
5 parties, be made parties defendant. The agency and the munici-  
6 pality shall take all steps in the action necessary to protect the  
7 interest of the public therein, and no costs shall be awarded against  
8 the agency or the municipality.

9 b. Subject to the terms of any applicable loan agreement, contract  
10 or other instrument entered into or obtained pursuant to subsection  
11 a. of section 7 of this act, judgment of foreclosure in accordance  
12 with this section shall not be entered unless the court to which  
13 application therefor is made shall be satisfied that the interest  
14 of the lienholder or holders cannot be adequately secured or safe-  
15 guarded except by the sale of the property; and in the proceeding  
16 the court shall be authorized to make an order increasing the rental  
17 or carrying charges to be charged for the housing accommodations  
18 in the housing project involved in the foreclosure, or appoint a  
19 member of the agency or any officer of the municipality in which  
20 any tax exemption or abatement with respect to the project is  
21 provided, as a receiver of the property, or grant such other and  
22 further relief as may be reasonable and proper; and in the event  
23 of a foreclosure or other judicial sale, the property shall be sold  
24 only to a housing sponsor which will manage, operate and maintain  
25 the project subject to the provisions of this act, unless the court  
26 finds that the interest and principal on the obligations secured by  
27 the lien which is the subject of foreclosure cannot be earned under  
28 the limitations imposed by the provisions of this act and that the  
29 proceeding was brought in good faith, in which event the property  
30 may be sold free of limitations imposed by this act or subject to  
31 such limitations as the court may deem advisable to protect the  
32 public interest.

33 c. In the event of a judgment against any housing sponsor in any  
34 action not pertaining to the foreclosure of a mortgage, there shall  
35 be no sale of any of the real property included in any housing  
36 project hereunder of the housing sponsor except upon 120 days'  
37 written notice to the agency. Upon receipt of the notice the agency  
38 shall take those steps as in its judgment may be necessary to  
39 protect the rights of all parties.

1 11. a. The agency may make loans to institutional lenders in order  
2 to furnish funds to institutional lenders to make eligible loans;  
3 but an eligible loan for a housing project shall be subject to all the  
4 provisions of this act applicable to agency loans to housing sponsors  
5 for housing projects.



6 b. The agency shall adopt rules and regulations governing the  
7 making of these loans to institutional lenders and the application  
8 of the proceeds thereof, including rules and regulations as to any  
9 of the following:

10 (1) procedures for the submission of requests or the invita-  
11 tion of proposals for loans;

12 (2) standards and requirements concerning allocations of  
13 loans to the institutional lenders or awards of loans and de-  
14 termining the amounts of interest rates thereof;

15 (3) limitations or restrictions as to the number of family  
16 units, location or other qualifications or characteristics \***[**pro-  
17 jects or of **]** \* *of projects or* \* residences to be financed by eligi-  
17A ble loans \*\*\* **[,]** \*\*\* \*\*\*,\*\*\*

18 (4) restrictions as to the maturities and interest rates on  
19 eligible loans or the return realized therefrom by institutional  
19A lenders;

20 (5) requirements as to commitments by institutional lenders  
21 with respect to eligible loans;

22 (6) schedules of any fees and charges necessary to provide  
23 for expenses and reserves of the agency; and

24 (7) any other matters related to the duties and the exercise  
25 of the powers of the agency under this section.

26 These rules and regulations shall be designed to effectuate the  
27 general purposes of this act and the following specific objectives:  
28 the expansion of the supply of funds in the State available for  
29 housing; the provision of the additional housing needed to remedy  
30 the shortage of adequate housing in the State and eliminate the  
31 existence of a large number of sub-standard dwellings; the pro-  
32 vision of nonhousing facilities which enhance the livability of resi-  
33 dential properties or areas being improved through financing by  
34 the agency and provide supplies and services primarily to the  
35 residents of such residential properties and areas; and the effective  
36 participation by institutional lenders in the programs authorized  
37 by this act and the restriction of the financial return and benefit  
38 thereto from such programs to that necessary and reasonable to  
39 induce such participation.

40 c. Loans to institutional lenders shall be general obligations of the  
41 respective institutional lenders owing the same and shall bear such  
42 date or dates, shall mature at such time or times, shall be evidenced  
43 by such note, bond or other certificate of indebtedness, shall be  
44 subject to prepayment, and shall contain such other provisions  
45 consistent with this section, all as the agency shall by resolution  
46 determine.

47 d. The agency shall require as a condition of each loan to an  
48 institutional lender that the institutional lender thereafter proceed  
49 as promptly as practicable to make and disburse from the loan  
50 proceeds, eligible loans in an aggregate principal amount equal to  
51 the amount of the loan.

52 e. The agency may require that loans to institutional lenders  
53 shall be additionally secured as to payment of both principal and  
54 interest by a pledge of and lien upon collateral security in such  
55 amounts as the agency shall by resolution determine to be necessary  
56 to assure the payment of the loans and the interest thereon as they  
57 become due. The agency may require that collateral mortgages be  
58 insured by a mortgage guaranty insurance company licensed to do  
59 business by the State. The agency may enter into an agreement with  
60 an institutional lender containing such provisions as the agency  
61 shall deem necessary to adequately identify and maintain such  
62 collateral and service the same and shall provide that the institu-  
63 tional lender shall hold the collateral as an agent for the agency  
64 and shall be held accountable as the trustee of an express trust for  
65 the application and disposition thereof and the income therefrom  
66 solely to the uses and purposes in accordance with the provisions of  
67 the agreement. A copy of each agreement and any revisions or  
68 supplements thereto shall be filed with the Secretary of State and  
69 no further filing or other action under Title 12A, Commercial Trans-  
70 actions, of the New Jersey Statutes or any other law of the State  
71 shall be required to perfect the security interest of the agency in  
72 the collateral or any additions thereto or substitutions therefor,  
73 and the lien and trust for the benefit of the agency so created shall  
74 be binding from the time made against all parties having claims of  
75 any kind in tort, contract, or otherwise against the institutional  
76 lender. The agency may also establish additional requirements as  
77 it deems necessary with respect to the pledging, assigning, setting  
78 aside, or holding of the collateral and the making of substitutions  
79 therefor or additions thereto and the disposition of income and  
80 receipts therefrom.

81 f. The agency shall require the submission to it by each institu-  
82 tional lender to which the agency has made a loan of evidence  
83 satisfactory to the agency of the making of eligible loans as re-  
84 quired by this section and prescribed by rules and regulations of  
85 the agency and in connection therewith may inspect the books and  
86 records of the institutional lender.

87 g. The agency may require as a condition of any loans to insti-  
88 tional lenders such representations and warranties as it shall  
89 determine to be necessary to secure the loans and carry out the  
90 purposes of this act.

91 h. Compliance by any institutional lender with the terms of this  
92 section and its undertaking to the agency with respect to the making  
93 of eligible loans may be enforced by decree of the Superior Court.  
94 The agency may require as a condition of any loan to any institu-  
95 tional lender the consent of the institutional lender to the juris-  
96 diction of the Superior Court over any such proceeding. The agency  
97 may also require agreement by any institutional lender, as a condi-  
98 tion of the loan to the institutional lender, to the payment of  
99 penalties to the agency for violation by the institutional lender of  
100 any provision of this section or its undertaking to the agency with  
101 respect to the making of eligible loans, and these penalties shall be  
102 recoverable at the suit of the agency.

1 12. a. The agency in order to encourage the development, opera-  
2 tion, construction, improvement, and rehabilitation of an adequate  
3 supply of affordable housing, shall have the power:

4 (1) to make and to purchase or participate in the purchase,  
5 and to contract to purchase or participate in the purchase, of  
6 eligible loans and to enter into advance commitments for the  
7 making of or the purchase, or for participation in the pur-  
8 chase, of eligible loans, at the prices and upon the terms and  
9 conditions determined by the agency;

10 (2) to sell eligible loans acquired by the agency at public  
11 or private sale and at the price or prices and upon the terms  
12 and conditions *as may be* determined by the agency;

13 (3) to enter into arrangements or agreements with loan  
14 originators, which may be a part of any contract with the loan  
15 originators for the purchase or participation in the purchase  
16 of eligible loans, containing provisions determined by the  
17 agency to be necessary or appropriate to provide security for  
18 its bonds, including but not limited to provisions requiring the  
19 repurchase of eligible loans or participations therein by the  
20 loan originators at the option of the agency, payments of such  
21 premiums, fees, charges or other amounts by loan originators  
22 to provide a reserve or escrow fund for the purposes, among  
23 others, of protecting against defaults with respect to eligible  
24 loans, and provisions for the guarantee by, or for recourse  
25 against, loan originators with respect to defaults on eligible  
26 loans of the agency;

27 (4) to enter into contracts for the servicing and custody of  
28 eligible loans owned by the agency, which contracts may pro-  
29 vide for the payment of the reasonable value of services ren-  
30 dered to the agency pursuant to the contracts;

31 (5) to renegotiate or refinance any eligible loan, or foreclose,

32 or contract for the foreclosure of, any mortgage securing any  
 33 eligible loan in default; to waive any default or consent to the  
 34 modification of the terms of any mortgage; to commence any  
 35 action to protect or enforce any right conferred upon by any  
 36 law, mortgage, insurance policy, contract or other agreement,  
 37 and to bid for and to purchase the property securing any eligi-  
 38 ble loan at any foreclosure or at any other sale, or acquire or  
 39 take possession of any such property; to operate, manage,  
 40 lease, dispose of, and otherwise deal with such property; all  
 41 in the manner as may be necessary to protect the interest of  
 42 the agency and the holders of its bonds;

43 (6) to procure insurance against any default with respect  
 44 to eligible loans in such amounts and from such insurers as  
 45 may be necessary or desirable;

46 (7) to establish, revise from time to time, charge and collect  
 47 such premiums, fees or other charges in connection with the  
 48 making or purchase of eligible loans, as the agency determines  
 49 and to apply those premiums, fees or charges to the purposes  
 50 or deposit them in funds or reserves, as the agency determines;  
 51 and

52 (8) to provide subsidies or other reductions of interest rates  
 53 with respect to eligible loans in order to encourage the avail-  
 54 ability of affordable housing or housing for *\*persons and*  
 55 *families of\** low and moderate income **\*[families]\***.

56 b. An eligible loan for a housing project made by the agency or  
 57 purchased by the agency less than one year after construction of  
 58 the project was commenced shall be subject to all the provisions  
 59 of this act applicable to agency loans to housing sponsors for  
 60 housing projects.

61 c. The agency shall from time to time adopt rules and regula-  
 62 tions governing the making or purchase of eligible loans, including,  
 63 without limitation, rules and regulations as to any of the following:

64 (1) procedures for the purchase of eligible loans by the  
 65 agency, whether by auction, invitation of tenders, or negotia-  
 66 tion;

67 (2) standards and requirements as to allocations of pur-  
 68 chases of eligible loans among *\*all or certain of the\** loan  
 69 originators or among particular areas of the State;

70 (3) limitations or restrictions as to the number of family  
 71 units, income levels for owners or occupants, or location or  
 72 other qualifications or characteristics of residences to be fi-  
 73 nanced by the eligible loans to be made by the agency or by  
 74 loan originators;

75 (4) restrictions as to the maturities and interest rates on  
76 eligible loans and on the return realized from the origination  
77 and sale of eligible loans to the agency by loan originators;

78 (5) standards and requirements for eligible loans which are  
79 not secured by a mortgage; and

80 (6) any other matters related to the duties and the exercise  
81 of the powers of the agency in connection with the purchase  
82 of eligible loans under this act.

83 d. These rules and regulations and the terms and conditions for  
84 the making or purchase of eligible loans shall effectuate the general  
85 purposes of the act and the following specific objectives: (1) the  
86 expansion of the supply of funds in the State available for eligible  
87 loans, (2) the provision of the additional housing needed to remedy  
88 the shortage of adequate housing in the State and to eliminate the  
89 existence of a large number of substandard dwellings and (3) the  
90 provision of nonhousing facilities which enhance the livability of  
91 residential properties or areas being improved through financing  
92 by the agency and provide supplies and services primarily to the  
93 residents of those residential properties and areas.

94 e. The agency shall require as a condition of each purchase of  
95 eligible loans from a loan originator that the loan originator pro-  
96 ceed as promptly as practicable to make and disburse from the  
97 proceeds thereof eligible loans in an aggregate principal amount  
98 equal, as nearly as practicable, to the amount of the proceeds from  
99 the purchase by the agency of eligible loans therefrom, but these  
100 requirements shall not apply if the eligible loans so purchased were  
101 originated pursuant to a commitment or other arrangement with  
102 the agency.

103 f. The agency shall require the submission to it by each loan  
104 originator from which the agency has purchased eligible loans evi-  
105 dence satisfactory to the agency of the making of eligible loans  
106 or the application of the proceeds from the purchase of eligible  
107 loans in accordance with commitments with the agency for the  
108 origination of eligible loans by the loan originator, as may be  
109 appropriate and in connection therewith may, through its employees  
110 or agents, inspect the books and records of the loan originator.

111 g. The agency may require as a condition of any purchase of  
112 eligible loans from loan originators representations and warranties  
113 it determines to be necessary in connection with that purchase and  
114 to carry out the purposes of this act.

115 h. Compliance by any loan originator with the terms of its agree-  
116 ment with or undertaking to the agency with respect to the making  
117 of any eligible loans may be enforced by decree of the Superior

118 Court. The agency may require as a condition of purchase of eligi-  
 119 ble loans from any loan originator the consent of the loan origi-  
 120 nator to the jurisdiction of the Superior Court of any such pro-  
 121 ceeding. The agency may also require agreement by any loan  
 122 originator, as a condition of the agency's purchase of eligible loans  
 123 from the loan originator, to the payment of penalties to the agency  
 124 for violation by the loan originator of its undertakings to the  
 125 agency, and these penalties shall be recoverable at the suit of the  
 126 agency.

127 i. Whenever any eligible loan purchased by the agency is to be  
 128 held or serviced by a person other than the agency, a statement  
 129 designating the eligible loan being so held or serviced and the per-  
 130 son so holding or servicing the eligible loan and setting forth the  
 131 agency's interest in the eligible loan may be filed in the records of  
 132 the agency, which loan records shall be available for public in-  
 133 spection during regular business hours of the agency, and no  
 134 possession, further filing, or other action under Title 12A, Com-  
 135 mercial Transactions, of the New Jersey Statutes or any other law  
 136 of the State shall be required to perfect any security interest which  
 137 may be deemed to have been created in favor of the agency. The  
 138 servicer shall, in any case, be and be deemed to be the trustee of  
 139 an express trust for the benefit of the agency in all matters re-  
 140 lating to any such eligible loan.

141 j. Notwithstanding the provisions of section 213.1 of P. L. 1948,  
 142 c. 67 (C. 17:9A-213.1) or any other provision of law to the con-  
 143 trary, any loan originator may, in connection with the sale of eligi-  
 144 ble loans to the agency pursuant to this act, enter into arrange-  
 145 ments or agreements with the agency as are authorized under and  
 146 contemplated by this act, including, without limitation, provisions  
 147 requiring the repurchase of eligible loans or participation therein  
 148 by the loan originator at the option of the agency, provisions re-  
 149 quiring the payment of premiums, fees or charges or other amounts  
 150 by the loan originator to provide a reserve or escrow for the pur-  
 151 poses, among others, of protecting against defaults with respect  
 152 to eligible loans, and provisions for the guarantee by, or for re-  
 153 course against, the loan originator with respect to defaults on  
 154 eligible loans of the agency.

1 13. a. In order to encourage the construction, acquisition and  
 2 rendering of life safety improvements at or to boarding houses,  
 3 the agency is hereby authorized to finance by life safety improve-  
 4 ment loans the construction, acquisition and rendering of life safety  
 5 improvements at or to boarding houses.

6 b. To carry out the purposes of this section, the agency may

7 accept from boarding house owners applications for life safety  
8 improvement loans and enter into agreements with boarding house  
9 owners with respect thereto. In considering applications for life  
10 safety improvement loans, the agency shall give consideration to:

11 (1) the degree of need for the life safety improvement at  
12 the boarding house with respect to which the application is  
13 made;

14 (2) factors affecting the tax-exempt status of interest on the  
15 bonds issued by the agency to raise the money necessary to  
16 make the life safety improvement loan, including the location  
17 and ownership of boarding houses with respect to which ap-  
18 plications have been and are being made;

19 (3) the extent of the benefit which, in the agency's opinion,  
20 can be expected to be achieved from the life safety improve-  
21 ment intended to be financed with the life safety improvement  
22 loan for which the application is made, giving effect to, among  
23 other things, the cost of such life safety improvements;

24 (4) the applicant's ability to obtain alternate financing; and

25 (5) the extent of the applicant's compliance with the "Room-  
26 ing and Boarding House Act of 1979," P. L. 1979, c. 496  
27 (C. 55:13B-1 et seq.). This determination shall be accomplished  
28 through an inspection of the boarding house by either the New  
29 Jersey Department of Community Affairs or the New Jersey  
30 Department of Health. Deficiencies which are to be corrected  
31 through life safety improvement loans are not to be used as  
32 a basis for disapproving a loan under this section.

33 c. Life safety improvement loans made by the agency shall not  
34 be subject to the terms and conditions set forth in sections 6 through  
35 10 of this act but shall be subject to the following terms and con-  
36 ditions:

37 (1) the amount of the loan shall not exceed 100% of the cost  
38 of the life safety improvement to be constructed, acquired or  
39 rendered, as determined by the agency.

40 (2) the interest rate on the loan shall be established by the  
41 agency at the lowest level consistent with the agency's cost of  
42 operation but not lower than the effective cost of the agency of  
43 the obligations of the agency sold to raise the money used to  
44 make the loan.

45 (3) the loan shall be evidenced by a promissory note which  
46 shall contain terms and provisions and be in a form approved  
47 by the agency, and the terms and provisions shall include, but  
48 not be limited to, agency requirements that: (a) the boarding  
49 house owner remit to the agency the entire unpaid balance of

50 all life safety improvement loans made by the agency to the  
 51 boarding house owner as of the time when the facility ceases  
 52 to be a boarding house\*, and the money shall be used for  
 52A making new boarding house life safety improvement loans or  
 52B any other lawful purpose\*; (b) the boarding house owner remit  
 53 to the agency, for payment to the Department of Community  
 54 Affairs for deposit in the "Boarding House Rental Assistance  
 55 Fund," established under section 14 of this act, an amount  
 56 equal to the rental assistance payments made to or on behalf  
 57 of the residents of a boarding house, pursuant to this section,  
 58 prior to the point in time when the facility ceases to be a  
 59 boarding house, but the inclusion of this second requirement  
 60 in the promissory note and the remittance of that amount shall  
 61 be required if and to the extent that the agency determines it  
 62 to be feasible and practicable; and (c) in the event of any sale  
 63 which occurs during the period when the life safety improve-  
 64 ment loan is being repaid to a purchaser who will maintain  
 65 the facility as a boarding house, the boarding house owner  
 66 shall either remit the entire unpaid balance of all life safety  
 67 improvement loans made by the agency to the boarding house  
 68 owner or require the purchaser to assume the loan.

69 (4) as a condition of the loan, the agency shall have the  
 70 power at all times during the construction, acquisition or  
 71 rendering of a life safety improvement at or to a boarding  
 72 house and for a reasonable period of time subsequent thereto  
 73 to enter without prior notice the boarding house with respect  
 74 to which the loan is made in order to inspect the construction,  
 75 acquisition or rendering of the life safety improvement being  
 76 financed with the loan.

1 14. There is hereby established in the Department of Community  
 2 Affairs a fund to be known as the "Boarding House Rental Assist-  
 3 ance Fund." The fund shall be under the control of the Commis-  
 4 sioner of the Department of Community Affairs. The fund shall  
 5 be maintained by the Department of the Treasury and may be  
 6 invested by the Division of Investment in the Department of the  
 7 Treasury in investments in which other State funds may be in-  
 8 vested. There shall be deposited in the fund all moneys appropri-  
 9 ated thereto by the Legislature and any other moneys made avail-  
 10 able for the purposes for which the fund is established. The fund  
 11 is established for the purposes of \*(i)\* providing rental assistance  
 12 to residents of boarding houses in need of assistance to meet the  
 13 rental payments at the boarding houses in which they reside neces-  
 14 sitated by the construction, acquisition or rendering of life safety



15 improvements at or to the boarding houses with the proceeds of the  
 16 life safety improvement loans made by the agency, \***[to provide]**\*  
 17 *\*(ii) providing\** a source of repayment for such life safety im-  
 18 provement loans and, *\*(iii)\** subject to the approval of the trea-  
 19 surer, \***[to pay]**\* *\*paying\** the cost to the Department of Com-  
 20 munity Affairs of discharging its obligations under sections 13  
 21 through 17 of this act. If needed to meet on a timely basis that  
 21A part of the rental obligations of residents of boarding houses  
 22 attributable to debt service (including fees and charges payable  
 23 to the agency) on life safety improvement loans made by the agency  
 24 to finance the construction, acquisition or rendering of life safety  
 25 improvements at said boarding houses, the commissioner shall dis-  
 26 burse from the fund to or on behalf of the residents of the boarding  
 27 houses the amount of money which, together with amounts already  
 28 disbursed and to be disbursed, will be sufficient to meet on a timely  
 29 basis that part of the rental obligations of the residents of the  
 30 boarding houses. *\*If for any reason rental assistance payments  
 31 made on behalf of residents are not sufficient to meet the debt ser-  
 32 vice payments on the life safety improvement loans, then the com-  
 33 missioner shall disburse from the fund such amounts as are neces-  
 34 sary to meet the debt service payments; or, upon the request of the  
 35 agency, the commissioner shall disburse such amounts as are neces-  
 36 sary to fully pay the life safety improvement loan and all related  
 37 costs.\**

1 15. In furtherance of the purposes of sections 13 through 17 of  
 2 this act, the Commissioner of the Department of Community Af-  
 3 fairs is authorized to enter into rental assistance agreements with  
 4 boarding house owners providing for the payment of rental assist-  
 5 ance to or on behalf of the residents of the boarding houses in  
 6 respect of that part of their rent that is attributable to debt service  
 7 on life safety improvement loans, as determined by the agency.  
 8 Rental assistance agreements may permit or require the commis-  
 9 sioner to make *\*(i)\** rental assistance payments on behalf of board-  
 10 ing house residents directly to the agency or \***[upon its order]**\*  
 11 *\*(ii) direct payments to the agency\** in satisfaction of the boarding  
 12 house owners' payment obligations on life safety improvement  
 13 loans. As a condition to the payment of rental assistance, rental  
 14 assistance agreements shall require that the boarding house owner  
 15 remit to the commissioner for return to the \***[fund in the Depart-**  
 16 **ment of the Treasury from which the appropriation for the rental**  
 17 **assistance payment was originally made an]**\* *\*Boarding House  
 18 Rental Assistance Fund an\** amount equal to any rental assistance  
 19 payment made by the commissioner to or on behalf of a resident

20 of the boarding house who, were such resident a family as defined  
21 in subsection f. of section 3 of this act, would not have constituted  
22 a family qualified for admission to housing projects under section  
23 8 of this act, at any time during the period covered by the rental  
24 assistance payment but the agency may establish a lower income  
25 standard for residents of boarding houses which would require  
26 remittance to the commissioner by the owners of boarding houses  
27 of rental assistance payments formerly made by the commissioner  
28 to or on behalf of residents with incomes above that income  
29 standard.

1 16. On or before December 1 of each year, the Commissioner of  
2 the Department of Community Affairs shall submit to the Governor  
3 and the State Treasurer a Boarding House Rental Assistance Fund  
4 Annual Report which shall include the following: *\*(i)\** a summary  
5 of the activities and transactions of the Boarding House Rental As-  
6 sistance Fund during the preceding fiscal year; *\*(ii)\** an estimate of  
7 the amount of rental charges which will be made during the ensuing  
8 12 months by the residents of boarding houses on account of the  
9 debt service (including fees and charges payable to the agency)  
10 on life safety improvement loans made by the agency to finance  
11 the construction, acquisition or rendering of life safety improve-  
12 ments at or to the boarding houses, together with a brief descrip-  
13 tion of each of the boarding houses, life safety improvement loans  
14 and life safety improvements and a summary of various charac-  
15 teristics of the residents of the boarding houses, including their  
16 ages, disabilities, if any, and income levels; *\*(iii)\** a statement as to  
17 the maximum amount of debt service payable in any one year on all  
18 outstanding obligations of the agency issued with respect to life  
19 safety improvement loans; and *\*(iv)\** an estimate of, and request  
20 for, the amount of money in addition to the then current balance of  
21 the Boarding House Rental Assistance Fund which will be needed  
22 in the ensuing fiscal year to meet the disbursements from the fund  
23 which the commissioner anticipates will be made in furtherance  
24 of the purposes of the fund and in satisfaction of the commissioner's  
25 obligations under rental assistance agreements.

1 17. a. To assure that there exists sufficient money in the Board-  
2 ing House Rental Assistance Fund so as to permit the fund to be  
3 fully employed in furtherance of its purposes and to enable the  
4 Commissioner of the Department of Community Affairs to fulfill  
5 his commitments under rental assistance agreements, there shall  
6 be appropriated in each fiscal year and paid to the Department of  
7 Community Affairs for deposit in the Boarding House Rental  
8 Assistance Fund (1) from the Casino Revenue Fund, the amount

9 of money requested for that fiscal year by the commissioner in  
10 the applicable Boarding House Rental Assistance Fund Annual  
11 Report, as amended by the commissioner from time to time, for the  
12 benefit of boarding house residents who are either senior citizens  
13 or disabled residents of the State within the meaning of regulations  
14 promulgated by the commissioner; and (2) from the General  
15 Fund *\*of the State of New Jersey\**, the amount of money requested  
16 for that fiscal year by the commissioner in the applicable Boarding  
17 House Assistance Fund Annual Report, as amended by the com-  
18 missioner from time to time, for the benefit of boarding house  
19 residents who are neither senior citizens nor disabled residents of  
20 the State within the meaning of regulations promulgated by the  
20A commissioner *\*either as rental assistance payments or direct debt*  
20B *service on loans\**.

21 b. After receipt of each Boarding House Rental Assistance Fund  
22 Annual Report, the State Treasurer shall determine whether or not  
23 during the preceding fiscal year rental assistance payments were  
24 made with funds appropriated from the Casino Revenue Fund to  
25 or on behalf of residents of boarding houses who, were they  
26 families as defined in subsection f. of section 3 of this act, would  
27 have constituted families qualified for admission to housing projects  
28 under section 8 of this act during such fiscal year, but who were not  
29 either senior citizens or disabled residents of the State within the  
30 meaning of regulations promulgated by the commissioner. Upon  
31 making a determination that funds were appropriated from the  
32 Casino Revenue Fund to or on behalf of one or more of such  
33 residents, the Treasurer shall request and the State shall appro-  
34 priate from the General Fund to the Casino Revenue Fund an  
35 amount of money equal to payments so made from funds appro-  
36 priated from the Casino Revenue Fund; but neither the request  
37 nor the appropriation shall be required if, or to the extent that,  
38 the amount of payments is reimbursed from any other available  
39 source, which may be, but shall not be limited to, a payment from  
40 unencumbered funds of the agency, as authorized by the agency.

41 c. If the Commissioner of the Department of Community Affairs  
42 is for any reason unable to make rental assistance payments on one  
43 or more rental assistance agreements, the agency may, but shall be  
44 under no obligation to, authorize payments from its unencumbered  
45 reserves. If no such authorization is made, *\*or if the agency's pay-*  
46 *ment is only intended to be a temporary source of funding in order*  
47 *to satisfy payments due on bonds issued to finance life safety im-*  
48 *provement loans,\** or the amount authorized is insufficient to make  
49 full payments under the agreements, there shall be appropriated

50 from the General Fund in each fiscal year and paid to the Depart-  
51 ment of Community Affairs, for disbursement to the agency, suf-  
52 ficient funds to make full payments. The commissioner shall an-  
53 nually report to the Governor and the Treasurer detailing the need  
54 for the appropriations.

1     \*18. a. *In order to carry out the purposes and provisions of this*  
2 *act, the agency, in addition to any powers granted to it elsewhere*  
3 *in this act, shall have the authority to form, purchase or assume*  
4 *control of one or more subsidiary corporations, in the manner and*  
5 *for the purposes set forth in this section.*

6     b. *The agency may form a subsidiary corporation by filing*  
7 *with the Secretary of State a certificate of incorporation, which*  
8 *may be amended from time to time and which shall set forth the*  
9 *name of the subsidiary corporation, its duration, the location of its*  
10 *principal office, the joint owners thereof, and the purposes of the*  
11 *corporation.*

12     c. *The directors of the subsidiary corporation shall be members*  
13 *or employees of the agency, who shall constitute at least a majority,*  
14 *and such other persons representing any joint owner or owners as*  
15 *may be provided for in the agreement in connection with the in-*  
16 *corporation.*

17     d. *The subsidiary corporation shall have all the powers vested*  
18 *in the agency which the agency may delegate to it by terms of the*  
19 *agreement of incorporation, except that it shall not have power*  
20 *to contract indebtedness independently of the agency. The sub-*  
21 *subsidiary corporation and any of its properties, functions and activi-*  
22 *ties shall have all the privileges, immunities, tax exemptions and*  
23 *other exemptions as the agency's property, functions and activities.*  
24 *The subsidiary corporation shall also be subject to the restrictions*  
25 *and limitations to which the agency is subject. The subsidiary corpo-*  
26 *ration shall be subject to suit as if it were the agency itself.*

27     e. *Whenever the State or any municipality, commission, public*  
28 *authority, agency, officer, department, board, or division is au-*  
29 *thorized and empowered for any purposes of this act to cooperate*  
30 *and enter into agreements with the agency or to grant any consent*  
31 *to the agency or to grant, convey, lease or otherwise transfer any*  
32 *property to the agency or to execute any document, the State or*  
33 *such municipality, commission, public authority, agency, officer,*  
34 *department, board, or division shall have the same authorization*  
35 *and power for any of such purposes to cooperate and enter into*  
36 *agreements with the subsidiary corporation and to grant consents*  
37 *to the subsidiary corporation and to grant, convey, lease or other-*  
38 *wise transfer property to the subsidiary corporation and to execute*  
39 *documents for the subsidiary corporation.*

40 f. Among the powers that shall be granted to a subsidiary corpo-  
 41 ration established by agency, or which may be exercised by the  
 42 agency itself, are:

43 (1) To act as receiver or interim owner of rental properties and  
 44 in connection therewith to provide tenant education and training,  
 45 with the goal of achieving cooperative or other private forms of  
 46 resident ownership.

47 (2) To act as a housing service corporation to operate or com-  
 48 plete the construction of agency-financed properties.

49 (3) To undertake acquisition, construction, rehabilitation and  
 50 operation of housing and related activities on a demonstration or  
 51 experimental basis.

52 (4) To participate as a coowner or coventurer in any activity  
 53 financed by an eligible loan from the agency.

54 g. The agency shall **\*\*\*[not later than January 1, 1984]\*\*\***  
 55 establish at least one subsidiary corporation pursuant to this  
 56 section, unless the agency shall, by resolution setting forth the  
 57 reasons for its decision, determine that such establishment would  
 58 be inexpedient; which resolution shall be forthwith communicated  
 59 to the Governor and the Legislature.

1 19. a. In order to carry out the purposes and provisions of this  
 2 act, there is hereby chartered in, but not of, the agency the New  
 3 Jersey Housing Development Corporation**\*\*\*[**, which shall be a  
 4 general stock ownership corporation within the meaning of Sub-  
 5 chapter U. of the U. S. Internal Revenue Code**]****\*\*\***.

6 b. The corporation shall be organized, managed and operated as  
 7 an entity distinct from the agency, except that members and em-  
 8 ployees of the agency may be officers and directors of the corpora-  
 9 tion; but it shall be empowered to act as agent of the agency under  
 10 contractual agreements relating to matters set forth in subsection  
 11 c. of this section.

12 c. The corporation may issue its stock and employ the proceeds  
 13 of such sales:

14 (1) To purchase residential structures in need of rehabilitation  
 15 and rehabilitate them for purposes of resale, including resale under  
 16 lease-purchase agreements.

17 (2) To contract for the construction of new residential struc-  
 18 tures and to assume ownership of the same for the purposes of  
 19 resale, including lease-purchase agreements.

20 (3) To coventure with other public or private agencies or corpo-  
 21 rations as an investor in major rehabilitation or construction proj-  
 22 ects of the types described in paragraphs (1) and (2) of this sub-  
 23 section.

24 *d. The agency is directed to complete the organization of the*  
25 *corporation \*\*\*[before January 1, 1984,]\*\*\* unless the members of*  
26 *the agency vote not to so organize and so advise the Governor and*  
27 *the Legislature.\**

1 \***[18.]**\* \*20.\* a. The agency shall have the power and is hereby  
2 authorized from time to time to issue its bonds in such principal  
3 amounts as in the opinion of the agency shall be necessary to pro-  
4 vide sufficient funds for achieving any of its corporate purposes,  
5 including the making or purchase of eligible loans, the making of  
6 loans to institutional lenders, the payment, funding or refunding of  
7 the principal of, or interest or redemption premiums on, any bonds  
8 issued by it, whether the bonds or interest to be funded or refunded  
9 have or have not become due, the establishment or increase of re-  
10 serves to secure or to pay such bonds or interest thereon or to pro-  
11 vide, insure or otherwise protect against defaults on or prepayment  
12 of eligible loans, and all other costs or expenses of the agency inci-  
13 dent to and necessary or convenient to carry out its corporate pur-  
14 poses and powers; but the agency's power to issue its bonds in order  
15 (1) to make life safety improvement loans, (2) to fund reserves  
16 for these bonds (excluding therefrom for purposes of this calcula-  
17 tion such bonds that have been refunded), and (3) to refund bonds  
18 originally issued to make life safety improvement loans and to fund  
19 reserves for these bonds is limited to the extent that the amount of  
20 debt service payable in any one year on all these bonds then  
21 outstanding may not exceed \$4,000,000.00.

22 b. Except as may be otherwise expressly provided herein or by  
23 the agency, every issue of bonds shall be general obligations  
24 payable out of any moneys or revenues of the agency, subject only  
25 to any agreements with the holders of particular bonds pledging  
26 any particular moneys or revenues. The agency may issue such  
27 types of bonds as it may determine, including but not limited to  
28 bonds on which the principal and interest are payable (1) exclu-  
29 sively from the income and revenues of certain designated projects  
30 whether or not they are financed in whole or in part with the  
31 proceeds of such bonds; (2) exclusively from the revenues of the  
32 agency derived from certain loans made to institutional lenders or  
33 derived from certain eligible loans made or purchased by the  
34 agency whether or not such loans were made or such eligible loans  
35 were purchased in whole or in part from the proceeds of such bonds;  
36 or (3) from its revenues generally. Bonds may be additionally  
37 secured by a pledge of any grant or contribution from any depart-  
38 ment, agency or instrumentality of the United States or of the  
39 State or from any person, firm or corporation or a pledge of any

40 moneys, income or revenues of the agency from any source what-  
41 soever.

42 c. Any provision of any law to the contrary notwithstanding, any  
43 bonds issued pursuant to this act shall be fully negotiable within  
44 the meaning and for all purposes of Title 12A of the New Jersey  
45 Statutes, and each holder or owner of such a bond, or of any coupon  
46 appurtenant thereto, by accepting the bond or coupon shall be  
47 conclusively deemed to have agreed that the bond or coupon is and  
48 shall be fully negotiable within the meaning and for all purposes  
49 of Title 12A of the New Jersey Statutes.

50 d. Bonds of the agency shall be authorized by or in accordance  
51 with a resolution of the agency and may be issued in one or more  
52 series and shall bear such date or dates, mature at such time or  
53 times not exceeding 50 years from the date thereof, bear interest  
54 at such rate or rates or bear interest at such variable or formula  
55 rate or rates not to exceed such maximum rate or rates, be in such  
56 denomination or denominations, be in such form, either coupon or  
57 registered, carry such conversion or registration privileges, have  
58 such rank or priority, be executed in such manner, be payable from  
59 such sources in such medium of payment at such place or places  
60 within or without the State, and be subject to such terms of redemp-  
61 tion (with or without premium) as such resolution or resolutions  
62 may provide.

63 e. Bonds of the agency may be sold at public or private sale at  
64 the price or prices as the agency determines.

65 f. Bonds may be issued under the provisions of this act without  
66 obtaining the consent of any department, division, commission,  
67 board, bureau or agency of the State, and without any other pro-  
68 ceeding or the happening of any other conditions or other things  
69 than those proceedings, conditions or things which are specifically  
70 required by this act.

71 g. Bonds of the agency issued under the provisions of this act  
72 shall not be in any way a debt or liability of the State or of any  
73 political subdivision thereof other than the agency and shall not  
74 create or constitute any indebtedness, liability or obligation of the  
75 State or of any such political subdivision or be or constitute a  
76 pledge of the faith and credit of the State or of any such political  
77 subdivision but all such bonds, unless funded or refunded by bonds,  
78 shall be payable solely from revenues or funds pledged or available  
79 for their payment as authorized in this act. Each bond shall  
80 contain on its face a statement to the effect that the agency is  
81 obligated to pay the principal thereof or the interest thereon only  
82 from revenues or funds of the agency and that neither the State

83 nor any political subdivision thereof is obligated to pay such  
84 principal or interest and that neither the faith and credit nor the  
85 taxing power of the State or any political subdivision thereof is  
86 pledged to the payment of the principal of or the interest on such  
87 bonds.

88 h. All expenses incurred in carrying out the provisions of this  
89 act shall be payable solely from revenues or funds provided or to  
90 be provided under the provisions of this act and nothing in this act  
91 shall be construed to authorize the agency to incur any indebted-  
92 ness or liability on behalf of or payable by the State or any  
93 political subdivision thereof.

1 \***[19.]** \*21.\* Any resolution or resolutions of the agency autho-  
2 rizing the issuance of bonds may contain provisions, except as ex-  
3 pressly limited in this act and except as otherwise limited by exist-  
4 ing agreements with the holders of the bonds, which shall be a part  
5 of the contract with the holders thereof, as to the following:

6 a. The pledging of or creating of a lien on, as security for the  
7 payment of the principal and redemption price of and interest  
8 on any bonds of the agency, all or any part of its revenues or assets  
9 to which its right then exists or may thereafter come into existence,  
10 and the moneys derived therefrom\*,\* including the eligible loans  
11 made or purchased by the agency pursuant to this act and the  
12 revenues therefrom, the loans made to institutional lenders pur-  
13 suant to this act and the revenues therefrom and the rights and  
14 interests of the agency in and to any collateral securing such loans  
15 and the collections and proceeds therefrom, the eligible loans pur-  
16 chased by the agency pursuant to this act and all payments on  
17 account of principal and interest with respect thereto, and all  
18 other premiums, fees and charges payable to the agency, all or any  
19 part of any money, funds or property held in trust or otherwise by  
20 others for the payment of any such mortgages, such loans to insti-  
21 tutional lenders or such eligible loans, or any bonds of the agency,  
22 and all or any part of the proceeds of any bonds, and covenanting  
23 against pledging all or any part of such revenues, assets, moneys,  
24 funds or property, or against permitting or suffering any lien  
25 thereon;

26 b. Otherwise providing for the custody, collection, securing,  
27 investment and payment of any revenues, assets, moneys, funds or  
28 property of the agency or with respect to which the agency may  
29 have any rights or interest;

30 c. The use and disposition of any and all payments of principal or  
31 interest received by the agency with respect to loans to institu-  
32 tional lenders or eligible loans or any income or proceeds from



33 \***[investment]**\* *investments*\* held by the agency or other income,  
34 revenues or receipts of the agency;

35 d. The establishment of reserves or sinking funds, the making of  
36 charges and fees to provide for the same, and the regulation and  
37 disposition thereof;

38 e. The custody, application and disposition of the proceeds of  
39 any bonds;

40 f. The rank or priority of any such bonds with respect to any  
41 lien or security or as to the acceleration of the maturity of any  
42 such bonds;

43 g. The creation of special funds or moneys to be held in trust or  
44 otherwise for operating expenses, payment or redemption of bonds,  
45 reserves against defaults or prepayments of eligible loans or loans  
46 to institutional lenders or for other purposes and as to the use and  
47 disposition of the moneys held in such funds;

48 h. Limitations on the purpose to which the proceeds of sale of  
49 bonds may be applied and pledging such proceeds to secure the  
50 payment of the bonds;

51 i. Limitations on the issuance of additional bonds; the terms  
52 upon which additional bonds may be issued and secured; the re-  
53 funding or purchase of outstanding bonds of the agency;

54 j. The procedure, if any, by which the terms of any contract with  
55 the holders of any bonds of the agency may be amended or abro-  
56 gated, the amount of bonds the holders of which must consent  
57 thereto, and the manner in which such consent may be given;

58 k. The vesting in a trustee or trustees within or without the State  
59 of such property, rights, powers and duties in trust as the agency  
60 may determine, which may include any or all of the rights, powers  
61 and duties of any trustee appointed by the holders of any bonds  
62 pursuant to section 20 of this act and limiting or abrogating the  
63 right of the holders of any bonds of the agency to appoint a trustee  
64 under this act or limiting the rights, powers and duties of such  
65 trustee;

66 l. Appointing and providing for the duties and obligations of a  
67 paying agent or paying agents or such other fiduciaries within or  
68 without the State;

69 m. Provision for a trust agreement by and between the agency  
70 and a corporate trustee which may be any trust company or bank  
71 having the powers of a trust company within the State, which  
72 agreement may provide for the pledging or assigning of any assets  
73 or income from assets to which or in which the agency has any  
74 rights or interest, and may further provide for such other rights  
75 and remedies exercisable by the trustee as may be proper for the

76 protection of the holders of any bonds of the agency and not  
77 otherwise in violation of law, and the agreement may provide for  
78 the restriction of the rights of any individual holder of bonds of  
79 the agency. All expenses incurred in carrying out the provisions of  
80 the trust agreement may be treated as a part of the costs of opera-  
81 tion of the agency. The trust agreement may contain any further  
82 provisions which are reasonable to delineate further the respective  
83 rights, duties, safeguards, responsibilities and liabilities of the  
84 agency, individual and collective holders of bonds of the agency,  
85 and the trustee;

86 n. The custody of any of its properties or investments, the safe-  
87 keeping thereof, the insurance to be carried thereon, and the use  
88 and disposition of insurance moneys;

89 o. The time or manner of enforcement or restraint from enforce-  
90 ment of any rights of the agency arising by reason of or with  
91 respect to nonpayment of principal or interest with respect to  
92 mortgages or loans to institutional lenders or any rights to or  
93 security interest in the collateral securing such loans or arising  
94 with respect to the default with respect to any eligible loan;

95 p. Defining the acts or omissions to act which shall constitute a  
96 default in the obligations and duties of the agency and providing  
97 for the rights and remedies of the holders of bonds in the event of  
98 such default;

99 q. Covenants to do or refrain from doing such acts and things  
100 as may be necessary or convenient or desirable to better secure  
101 any bonds of the agency, or which, in the discretion of the agency,  
102 will tend to make any bonds to be issued more marketable notwith-  
103 standing that such covenants, act or things may not be enumerated  
104 herein; and

105 r. Any other matters of the like or different character, which in  
106 any way affect the security or protection of the bonds issued by the  
107 agency.

1 \***[20.]**\* \*22.\* a. If the agency defaults in the payment of principal  
2 of or interest on any issue of bonds after the same becomes due,  
3 whether at maturity or upon call for redemption, and the default  
4 continues for a period of 30 days, or if the agency fails or refuses to  
5 comply with the provisions of this act or fails or refuses to carry  
6 out and perform the terms of any contract with the holders of bonds  
7 and the failure or refusal continues for a period of 30 days after  
8 written notice to the agency of its existence and nature, the holders  
9 of 25% in aggregate principal amount of such issue of bonds then  
10 outstanding by instrument or instruments filed in the office of the  
11 Secretary of State and proved or acknowledged in the same manner

12 as a deed to be recorded, may appoint a trustee to represent the  
13 holders of those bonds for the purposes provided in this section.

14 b. The trustee may, and upon written request of the holders of  
15 25% in aggregate principal amount of such bonds then outstanding  
16 shall, in the trustee's own name:

17 (1) by any action, writ, or other proceeding, enforce all  
18 rights of the holders of such bonds, including the right to  
19 collect and enforce the payment of principal of and interest  
20 due or becoming due on eligible loans and loans to institutional  
21 lenders and collect and enforce any collateral securing such  
22 loans or sell such collateral and the right to cause the fore-  
23 closure of any eligible mortgage loan, and to sell any property  
24 purchased at any such foreclosure, so as to carry out any  
25 contract as to, or pledge of, revenues, and to require the agency  
26 to carry out and perform the terms of any contract with the  
27 holders of such bonds or its duties under this act;

28 (2) bring suit upon all or any part of such bonds;

29 (3) by action, require the agency to account as if it were the  
30 trustee of an express trust for the holders of such bonds;

31 (4) by action, enjoin any acts or things which may be un-  
32 lawful or in violation of the rights of the holders of such bonds;

33 or

34 (5) declare all such bonds due and payable, whether or not in  
35 advance of maturity, upon 30 days' prior notice in writing to  
36 the agency, and, if all defaults shall be made good, then with  
37 the consent of the holders of 25% of the principal amount of  
38 such bonds then outstanding, annul such declaration and its  
39 consequences.

40 c. The trustee shall, in addition to the foregoing, have and  
41 possess all of the powers necessary or appropriate for the exercise  
42 of the functions specifically set forth herein or incident to the  
43 general representation of the holders of bonds in the enforcement  
44 and protection of their rights.

45 d. In any action or proceeding by such trustee, the fees, counsel  
46 fees and expenses of the trustee, if any, appointed pursuant to this  
47 act, shall constitute taxable costs and disbursements, and all costs  
48 and disbursements, allowed by the court, shall be a first charge  
49 upon any revenues, moneys, funds or property of the agency  
50 pledged for the payment or security of such issue of bonds.

1 \***[21.]**\* \*23.\* Any pledge made by the agency of income, revenues  
2 or other property shall be valid and binding from the time the  
3 pledge is made. The income, revenue or other property so pledged  
4 by the agency shall immediately be subject to the lien of the pledge

5 without any physical delivery thereof or further act, and the lien of  
 6 any pledge shall be valid and binding as against all parties having  
 7 claims of any kind in tort, contract or otherwise against the agency,  
 8 irrespective of whether such parties have notice thereof. Neither  
 9 the resolution nor any other instrument by which a pledge is  
 10 created need be filed or recorded except in the records of the  
 11 agency.

1 \***[22.]**\* \*24.\* For purposes of subsection (g) of Section 103A of  
 2 the federal Internal Revenue Code of 1954, as amended, the State  
 3 ceiling on the aggregate amount of qualified mortgage bonds which  
 4 may be issued in the State shall be allocated 100% to the agency.

1 \***[23.]**\* \*25.\* At least \*\***[20%** of the funds made available for  
 2 loans to mortgage lenders pursuant to subsection (g) of Section  
 3 103A of the federal Internal Revenue Code of 1954, as amended,  
 4 shall be used for new residential mortgages]\*\* *\*\*25% of the funds*  
 5 *made available by the agency for the acquisition, operation, con-*  
 6 *struction, rehabilitation, conversion, improvement or ownership of*  
 7 *residential properties of from one to four, or from five to 12,*  
 8 *dwelling units shall be reserved for use\*\** in municipalities which  
 9 qualify for State aid under P. L. 1978, c. 14 (C. 52:27D-178 et seq.).  
 10 *\*\*The period of reservation shall be established by the agency at*  
 11 *its discretion, but shall not be less than four months. The period*  
 12 *may be extended at the agency's discretion, with or without adjust-*  
 13 *ing the amount of funds so reserved.\*\**

1 \***[24.]**\* \*26.\* The agency may consent, at or prior to the time of  
 2 issuance of any issue of its bonds, to the inclusion of interest on  
 3 such bonds in the gross income of holders of such bonds under the  
 4 federal Internal Revenue Code of 1954, as amended, or any subse-  
 5 quent federal law, to the same extent and in the same manner as the  
 6 interest on bills, notes, bonds and other obligations of the United  
 7 States is includible in the gross income of the holders thereof  
 8 under the federal Internal Revenue Code of 1954, as amended, or  
 9 any subsequent federal law. Nothing contained in this act shall be  
 10 construed to waive or to authorize the agency to waive any other  
 11 exemption, privilege or immunity of the State or to consent or to  
 12 authorize the agency to consent to the application of any other  
 13 provision of any other laws, federal or State, to the agency or to  
 14 its bonds, which would not otherwise be so applicable.

1 \***[25.]**\* \*27.\* Neither the members of the agency nor any person  
 2 executing bonds issued pursuant to this act shall be liable person-  
 3 ally on such bonds by reason of the issuance thereof.

1 \***[26.]**\* \*28.\* The agency shall have power to purchase bonds of  
 2 the agency out of any funds available therefor. The agency may

3 hold, cancel or resell such bonds subject to and in accordance with  
4 agreements with holders of its bonds.

1 \***[27.]**\* \*29.\* a. The agency may create and establish one or more  
2 special funds to be known as housing finance funds and may pay into  
3 such housing finance funds any moneys appropriated and made  
4 available by the State for the purposes of such funds, any proceeds  
5 of the sale of the bonds to the extent provided in the resolution of  
6 the agency authorizing the issuance thereof, the moneys directed  
7 to be transferred by the agency to such funds, and any other  
8 moneys which may be made available to the agency for the pur-  
9 poses of such funds from any other source or sources. The moneys  
10 held in or credited to any housing finance fund established under  
11 this act, except as hereinafter provided, shall be used solely for  
12 the payment of the principal of and interest on bonds of the agency  
13 secured by such housing finance fund, as the same mature, required  
14 payments to any sinking fund established for the amortization  
15 of such bonds (hereinafter referred to as "sinking fund pay-  
16 ments"), the purchase or redemption of such bonds of the agency  
17 or the payment of any redemption premium to be paid when such  
18 bonds are redeemed prior to maturity; but moneys in any such  
19 fund shall not be withdrawn therefrom at any time in such amount  
20 as would reduce the amount of such fund to less than the amount  
21 of principal (including sinking fund payments) and interest matur-  
22 ing and becoming due in the succeeding calendar year on the bonds  
23 of the agency then outstanding and secured by such housing finance  
24 fund (such amount being hereafter referred to as the "required  
25 minimum capital reserve"), except for the purpose of paying  
26 principal and interest on the bonds of the agency secured by such  
27 housing finance fund maturing and becoming due and sinking funds  
28 payments for the payment of which other moneys of the agency  
29 are not available. Any income or interest earned by, or increment  
30 to, any such housing finance fund due to the investment thereof  
31 may be transferred to any other fund or account of the agency to  
32 the extent it does not reduce the amount of such housing finance  
33 fund below the required minimum capital reserve. In computing  
34 the amount of any housing finance fund for the purposes of this  
35 section, securities in which all or a portion of such housing finance  
36 fund are invested shall be valued at par if purchased at par or,  
37 if purchased at other than par, at amortized cost.

38 b. The agency shall not issue bonds secured by a housing finance  
39 fund at any time if the maximum amount of principal (including  
40 sinking fund payments) and interest maturing and becoming due  
41 in the succeeding calendar year on the bonds outstanding then to

42 be issued and secured by a housing finance fund will exceed the  
43 amount of such housing finance fund at the time of issuance, unless  
44 the agency, at the time of issuance of such bonds, shall deposit in  
45 such housing finance fund from the proceeds of the bonds or other  
46 obligations so to be issued, or otherwise, an amount which together  
47 with the amount then in such housing finance fund, will be not less  
48 than the required minimum capital reserve.

49 c. The Housing Finance Fund established under the agency's  
50 existing General Housing Bond Resolution shall continue as a  
51 housing finance fund pursuant to the provisions of subsection a.  
52 of this section.

53 d. To assure the maintenance of the required minimum capital  
54 reserve in the housing finance funds, there shall be annually ap-  
55 propriated and paid to the agency for deposit in each of such funds,  
56 such sum, if any, as shall be certified by the chairman of the agency  
57 to the Governor as necessary to restore each of such funds to an  
58 amount equal to the required minimum capital reserve. The chair-  
59 man shall annually, on or before December 1, make and deliver  
60 to the Governor his certificate stating the sum, if any, required to  
61 restore each of such funds to the amount aforesaid, and the sum  
62 or sums so certified shall be appropriated and paid to the agency  
63 during the then current State fiscal year.

1 \***[28.]**\* \*30.\* a. The agency shall establish and maintain a Hous-  
2 ing Development Fund which shall consist of all moneys appropri-  
3 ated by the State for inclusion therein, notwithstanding any incon-  
4 sistent provisions of this or of any other law, any moneys which the  
5 agency shall receive in repayment of advances from the fund, and  
6 any other moneys available to the agency which it determines to  
7 utilize for this purpose.

8 b. The agency is hereby authorized to use the money held in the  
9 Housing Development Fund to make noninterest bearing advances  
10 to housing sponsors who are corporations or associations orga-  
11 nized not for profit or for mutual housing to defray development  
12 costs for housing projects. No such advance shall be made unless  
13 it is reasonably anticipated by the agency that an eligible mortgage  
14 loan will be obtained for the housing project and the not for profit  
15 or mutual housing sponsor enters into an agreement with the  
16 agency to be regulated with respect to those matters provided in  
17 paragraph (5) and (6) of subsection a. of section 7 of this act.

18 c. Each advance shall be repaid in full concurrent with the receipt  
19 by the not for profit or mutual housing sponsor of the proceeds  
20 of the eligible mortgage loan, unless the agency shall extend the  
21 period for the repayment of such advance, but no such extension

22 shall be granted beyond the date of final payment under the eligible  
23 mortgage loan.

24 d. If the agency determines at any time that an eligible mortgage  
25 loan may not be obtained from the agency, the advance shall be-  
26 come immediately due and payable and shall be paid from any  
27 assets of the housing project. To the extent that repayment cannot  
28 be made from the assets of the housing project, the advance shall  
29 be treated as a grant.

30 e. The term "development cost", as used in this section, means  
31 the amount approved by the agency as an appropriate expenditure  
32 which may be incurred prior to the first advance on an eligible  
33 mortgage loan, including but not limited to (1) payments for  
34 options, deposits or contracts to purchase properties on the pro-  
35 posed housing project site or, with the prior approval of the agency,  
36 payments for the purchase of such properties; (2) legal and orga-  
37 nizational expenses, including attorney's fees and salaries, office  
38 rent and other incidental expenses for a project manager and  
39 clerical staff; (3) fees for preliminary feasibility studies, planning  
40 advances, borings, surveys, engineering and architectural work;  
41 (4) expenses for tenant surveys and market analyses; and (5) such  
42 other expenses as the agency may deem appropriate to effectuate  
43 the purpose of this section. .

44 f. The term "eligible mortgage loan", as used in this section,  
45 means a below-market interest rate mortgage loan insured by the  
46 Secretary of the Department of Housing and Urban Development,  
47 or a mortgage loan insured by the Secretary of the Department  
48 of Housing and Urban Development and augmented by a program  
49 of rent supplements, or an eligible loan made by the agency.

1 \*~~[29.]~~\* \*31.\* a. The agency shall establish and maintain a fund  
2 called the "General Fund" which shall consist of all moneys of the  
3 agency not required to be deposited in any other fund of the agency,  
4 which the agency may deposit therein. To the extent available,  
5 after paying all the operating costs of the agency, the moneys re-  
6 maining in the General Fund may be used for the payment of the  
7 principal of and interest on the bonds issued by the agency or for  
8 such other corporate purposes of the agency as this act authorizes.

9 b. The agency may establish such additional and further funds as  
10 may be necessary and desirable to accomplish any agency purpose  
11 or to comply with the provisions of any agreement made by the  
12 agency or any resolution approved by the agency. The resolution  
13 establishing such a fund shall specify the source of moneys from  
14 which it shall be funded and the purposes for which moneys held  
15 in the fund shall be disbursed.

1       \***[30.]**\* \*32.\* The State of New Jersey does hereby pledge to and  
2 covenant and agree with the holders of any bonds issued pursuant  
3 to the authority of this act that the State will not limit, restrict or  
4 alter the rights or powers hereby vested in the agency to perform  
5 and fulfill the terms of any agreement made with the holders of such  
6 bonds, or in any way impair the rights or remedies of such holders  
7 until such bonds, together with interest thereon, with interest on  
8 any unpaid installments of interest, and all costs and expenses in  
9 connection with any action or proceedings by or in behalf of such  
10 holders, are fully met, paid and discharged. The agency may  
11 include this pledge and agreement of the State in any agreement  
12 with the holders of bonds issued by the agency.

1       \***[31.]**\* \*33.\* Notwithstanding any restriction contained in any  
2 other law, all banks, trust companies, savings banks and institu-  
3 tions, building and loan associations, savings and loan associations,  
4 investment companies, and other persons carrying on a banking or  
5 investment business, all insurance companies, insurance associa-  
6 tions and other persons carrying on an insurance business, and all  
7 executors, administrators, guardians, trustees and other fiduciaries,  
8 may legally invest any sinking funds, moneys or other funds belong-  
9 ing to them or within their control in any bonds issued pursuant to  
10 this act, and such bonds shall be authorized security for any and all  
11 public deposits.

1       \***[32.]**\* \*34.\* a. All property of the agency is hereby declared to  
2 be public property devoted to an essential public and governmental  
3 function and purpose and shall be exempt from all taxes and special  
4 assessments of the State or any subdivision thereof. All bonds  
5 issued pursuant to this act are hereby declared to be issued by a  
6 body corporate and public of this State and for an essential public  
7 and governmental purpose and such bonds, and the interest thereon  
8 and the income therefrom, and all fees, charges, funds, revenues,  
9 income and other moneys pledged or available to pay or secure  
10 the payment of such bonds, or interest thereon, shall at all times  
11 be exempt from taxation, except for transfer, inheritance and  
12 estate taxes.

13       b. The sale to a housing sponsor of all materials and supplies to  
14 be used to construct, improve or rehabilitate a housing project  
15 financed by a loan made by the agency to the housing sponsor shall  
16 be exempt from all sales taxes of the State or any subdivision  
17 thereof.

1       \***[33.]**\* \*35.\* All property of the agency, except as otherwise pro-  
2 vided herein, shall be exempt from levy and sale by virtue of an  
3 execution and no execution or other judicial process shall issue



4 against the same nor shall any judgment against the agency be a  
5 charge or lien upon its property; except that nothing herein con-  
6 tained shall apply to or limit the rights of the holder of any bonds  
7 to pursue any remedy for the enforcement of any pledge or lien  
8 given by the agency on its revenues or other moneys.

1 \***[34.]**\* \*36.\* a. The agency may obtain, or aid in obtaining,  
2 \*from any department or agency of the United States or any other  
3 person\* any insurance or guarantee as to, or of or for the payment  
4 or repayment of interest or principal, or both, or any part thereof,  
5 on any loan or any instrument evidencing or securing the same,  
6 made or entered into pursuant to the provisions of this act; and  
7 notwithstanding any other provisions of this act enter into any  
8 agreement, contract or any other instrument whatsoever with re-  
9 spect to any such insurance or guarantee, and accept payment in  
10 such manner and form as provided therein in the event of the de-  
11 fault by the borrower.

12 b. The agency may obtain \*from any department or agency of  
13 the United States or any other person\* any insurance or guarantee  
14 as to, or of or for the payment or repayment of, interest or prin-  
15 cipal, or both, or any part thereof, on any bonds issued by the  
16 agency pursuant to the provisions of this act; and notwithstanding  
17 any other provisions of this act enter into any agreement, contract  
18 or any other instrument whatsoever with respect to any such in-  
19 surance or guarantee except to the extent that such action would  
20 in any way impair or interfere with the agency's ability to perform  
21 and fulfill the terms of any agreement made with the holders of  
22 the bonds of the agency.

1 \***[35.]**\* \*37.\* a. It is the intent of the Legislature that in the event  
2 of any conflict or inconsistency in the provisions of this act and any  
3 other acts concerning housing sponsors or any rules and regulations  
4 adopted thereunder, to the extent of such conflict or inconsistency,  
5 the provisions of this act shall be enforced and the provisions of  
6 such other acts and rules and regulations adopted thereunder shall  
7 be of no effect.

8 b. The governing body of any municipality in which a housing  
9 project \***[ordinance]**\* \*financed\* or to be financed by the agency is  
10 or is to be located may by ordinance or resolution, as appropriate,  
11 provide that such project shall be exempt from real property taxa-  
12 tion; if the housing sponsor enters into an agreement with the mu-  
13 nicipality for payments to the municipality in lieu of taxes for  
14 municipal services. Any such agreement may require the housing  
15 sponsor to pay to the municipality an amount up to 20% of the an-  
16 nual gross revenue from each housing project situated on such real

17 property for each year of operation thereof following the substan-  
 18 tial completion thereof. For the purpose of this section, "annual  
 19 gross revenue" means the total annual gross rental or carrying  
 20 charge and other income of a housing sponsor from a housing proj-  
 21 ect. If any such agreement is entered into from the date of record-  
 22 ing the mortgage on the project to the date of substantial comple-  
 23 tion of the project, the annual amount payable to the municipality  
 24 as taxes or as payments in lieu of taxes in respect of the project site  
 25 shall not be in excess of the amount of taxes on the project site for  
 26 the year preceding the recording of the mortgage. Any agreement  
 27 between any housing sponsor and a municipality pursuant to this  
 28 subsection shall be submitted to the agency for review in order to  
 29 avoid duplicating, overlapping or inconsistent regulations or pro-  
 30 visions. Any exemption from taxation pursuant to the provisions  
 31 of this section shall not extend beyond the date on which the eligible  
 31A loan made by the agency on the project is paid in full.

32 \***[c.** As used in this section only, "municipality" means and in-  
 33 cludes any city of any class, any town, township, village, borough,  
 34 or any municipal subdivision of the State; and "governing body"  
 35 means, in the case of a municipality, the common council, or the  
 36 board of commissioners, or the body managing its affairs, except  
 37 that, in the case of cities of the second class having a population  
 38 of not less than 133,000 nor more than 200,000 inhabitants, "gov-  
 39 erning body" means the board of finance of such city.]\*

1 \***[36.]**\* \*38.\* Any person who attempts to or obtains an eligible  
 2 loan hereunder or occupancy or continued occupancy of a dwelling  
 3 unit financed by an eligible loan by false or misleading information  
 4 or who violates this act or who by fraud attempts to obtain moneys  
 5 from the agency or its approval for the payment of moneys or  
 6 fraudulently attempts to or prevents the collection of any moneys  
 7 due to the agency is, for each offense, guilty of a crime of the third  
 8 degree.

1 \***[37.]**\* \*39.\* a. No member, officer or employee of the agency  
 2 shall have or attempt to have, for purposes of personal gain, di-  
 3 rectly or indirectly, any interest:

- 4 (1) In any contract or agreement of the agency;
- 5 (2) In the sale or purchase of any property by the agency;
- 6 (3) In any eligible loan, loan to institutional lender or  
 7 application therefor;
- 8 (4) In any housing project constructed, improved, rehabil-  
 9 itated or operated, or to be constructed, improved, rehabili-  
 9A tated or operated under the provisions of this act; or
- 10 (5) In any boarding house at which or to which a life safety

11 improvement is or is to be constructed, acquired or rendered  
 12 with moneys provided by a life safety improvement loan from  
 13 the agency;

14 but this section shall not be construed to prohibit a member, officer  
 15 or employee of the agency from being the borrower on a loan pur-  
 16 chased by the agency made to provide financing for a single family  
 17 dwelling which is the primary residence of the borrower\*, and the  
 17A agency shall adopt a policy governing the eligibility of agency mem-  
 17B bers, officers and employees for such loans\*.

18 b. Any member, officer or employee of the agency who violates  
 19 the provisions of this section is guilty of a crime of the fourth  
 20 degree. Any such person shall be barred from public employment  
 21 in this State in any capacity whatsoever for a period of five years  
 22 from the date he was adjudged guilty.

1 \***[38.]**\* \*40.\* On or before the last day of March in each year, the  
 2 agency shall make an annual report of its activities for the preced-  
 3 ing calendar year to the Governor and to the Legislature. Each  
 4 report shall set forth a complete operating and financial statement  
 5 covering its operations during the year. The agency shall cause an  
 6 audit of its books and accounts to be made at least once in each year  
 7 by certified public accountants and the cost thereof shall be con-  
 8 sidered an expense of the agency and a copy thereof shall be filed  
 9 with the State Treasurer.

1 \***[39.]** The agency shall review annually the housing program con-  
 2 tent of its actions, its best estimates of housing needs of New Jersey  
 3 residents and its assessment of available resources, establish and, in  
 4 light of this review, its priorities for housing programs during the  
 5 ensuing year.]\*

1 \*41. a. *The agency shall develop and revise every two years an*  
 2 *agency financial strategy. This strategy shall be submitted to the*  
 3 *presiding officer of each House of the Legislature and to the Senate*  
 4 *County and Municipal Government Committee and the General*  
 5 *Assembly Housing and Urban Policy Committee, or their succes-*  
 6 *sors.*

7 b. *The strategy shall include, but need not be limited to:*  
 8 (1) *An inventory and description of the housing stock in New*  
 9 *Jersey based on currently available data;*  
 10 (2) *An estimate of the housing needs;*  
 11 (3) *An estimate of the cost of construction, improvement, repair*  
 12 *or rehabilitation of housing to meet those needs;*  
 13 (4) *Estimates of resources available to meet those needs;*  
 14 (5) *A list of the agency's priorities in meeting the housing needs*  
 15 *of the residents of the State; and*

16 (6) *An estimate of the extent and nature of the agency's financial*  
 17 *participation in housing projects for the next two years.*

18 c. *The agency shall annually review the housing program con-*  
 19 *tent of its actions in light of the powers granted in this act and of*  
 20 *the goals and priorities established in its financing strategy.\**

1 \***[40.** Wage rate of workmen employed by qualified housing  
 2 sponsors; determination.]\* \*42.\* Each qualified housing sponsor  
 3 granted a loan from the agency, or any builder, contractor or sub-  
 4 contractor engaged by the qualified housing sponsor for the con-  
 5 struction or rehabilitation of any housing projects, shall pay the  
 6 workmen employed in the performance of any contract for such  
 7 construction or rehabilitation not less than the prevailing wage  
 8 rate \***[as determined by the Commissioner of Labor except as**  
 8A hereinafter provided.

9 In the following instances the qualified housing sponsor granted  
 10 a loan from the agency, or any builder, contractor or subcontractor  
 11 engaged by the qualified housing sponsor for the construction or  
 12 rehabilitation of any housing project shall pay the workmen em-  
 13 ployed in the performance of any contract for such construction  
 14 or rehabilitation not less than the prevailing wage rate as]\*  
 15 \*. *The prevailing wage rate shall be determined by the \*\*\***[com-***  
 16 *missioner]**\*\*\* \*\*\*Commissioner\*\*\* of the New Jersey Department***  
 17 *of Labor in all cases, except that the prevailing rate shall be\**  
 18 determined by the Secretary of the United States Department of  
 19 Labor in accordance with the Davis-Bacon Act as amended (40  
 20 U. S. Code 276a to 276a-5) \***[:** (1) when the loan from the agency  
 21 for the construction or rehabilitation of a housing project is funded  
 22 from the proceeds of agency obligations to which the general  
 23 credit of the agency has not been pledged, (2) when the loan from  
 24 the agency is for the construction or rehabilitation of a housing  
 25 project which does not exceed four stories, (3)]\* \*\*\*,\*\*\* when the  
 26 loan from the agency for the construction or rehabilitation of a  
 27 housing project or the tenants of the housing project is the subject  
 28 of direct or indirect federal assistance other than the federal tax-  
 28A exemption of the interest paid on the agency obligations\***[,** or (4)  
 28B when it is deemed necessary in order for a housing project to be  
 28C financially feasible as determined by agency standard underwriting  
 28D criteria]\*.

29 The Commissioner of Labor is authorized to, and shall, determine  
 30 the prevailing wage rate and shall establish the prevailing wage in  
 31 the locality in which the construction or rehabilitation of any hous-  
 32 ing project is to be performed for each craft or trade or classifica-  
 33 tion of all workmen employed in the performance of such construc-

34 tion or rehabilitation, as if such construction or rehabilitation were  
 35 "public work" within the meaning of P. L. 1963, c. 150 (34:11-56.25  
 36 et seq.). For the purpose of carrying out the provisions of this  
 37 section, the Commissioner of Labor and any workmen employed in  
 38 the performance of any contract for the construction or rehabilita-  
 39 tion of any housing project, shall have and may exercise or perform  
 40 any right, power or duty granted or imposed upon them by P. L.  
 41 1963, c. 150.

1 \***[41.]**\* \*43.\* All officers, departments, boards, agencies, divisions  
 2 and commissions of the State are hereby authorized and empowered  
 3 to render any services to the agency as may be within the area  
 4 of their respective governmental functions as fixed or established  
 5 by law, and as may be requested by the agency. The cost and  
 6 expense of any such services shall be met and provided for by  
 7 the agency.

1 \***[42.]**\* \*44.\* No person shall be discriminated against, because of  
 2 race, religious principles, color, national origin or ancestry by the  
 3 agency, any housing sponsor, any institutional lender, or any loan  
 4 originator or any agent or employee thereof in connection with  
 5 any housing project or eligible loan. *\*No person shall be discrimi-*  
 6 *nated against because of age in admission to, or continuance of*  
 7 *occupancy in, any housing project receiving assistance under this*  
 8 *act except for any housing project constructed under a govern-*  
 9 *mental program restricting occupancy of at least 90% of the dwell-*  
 10 *ing units to persons 62 years of age or older and any members of*  
 11 *their immediate households or their occupant surviving spouses, or*  
 12 *constructed as a retirement subdivision or retirement community*  
 13 *as defined in the "Retirement Community Full Disclosure Act,"*  
 14 *P. L. 1968, c. 215 (C. 45:22A-1 et seq.).*\* Any person who violates  
 15 the provisions of this section is a disorderly person.

1 \***[43.]**\* \*45.\* It is the intent of the Legislature that in the event  
 2 of any conflict or inconsistency in the provisions of this act and any  
 3 other acts pertaining to matters herein established or provided for  
 4 or in any rules and regulations adopted under this act or said other  
 5 acts, to the extent of such conflict or inconsistency, the provisions  
 6 of this act and the rules and regulations adopted thereunder shall  
 7 be enforced and the provisions of such other acts and rules and  
 8 regulations adopted thereunder shall be of no effect.

1 \***[44.]**\* \*46.\* This act shall be construed liberally to effectuate  
 2 the legislative intent and the purposes of this act as complete and  
 3 independent authority for the performance of every act and thing  
 4 herein authorized and all powers herein granted shall be broadly

5 interpreted to effectuate such intent and purposes and not as a  
6 limitation of powers.

1    \*47. *If any clause, sentence, subdivision, paragraph, section or*  
2 *part of this act shall be adjudged by any court of competent juris-*  
3 *isdiction to be unconstitutional or invalid, such judgment shall not*  
4 *affect, impair or invalidate the remainder thereof, but shall be con-*  
5 *fined in its operation to the clause, sentence, subdivision, paragraph,*  
6 *section or part thereof directly involved in the controversy in which*  
7 *said judgment shall have been rendered.\**

1    \*~~[45.]~~\* \*48.\* The following are repealed:

2    P. L. 1967, c. 81, §§ 1-19, 21-40 (C. 55:14J-1 to 55:14J-19 inclu-  
3 sive, C. 55:14J-21 to 55:14J-40 inclusive);

4    P. L. 1970, c. 38 (C. 17:1B-4 to 17:1B-25 inclusive);

5    P. L. 1975, c. 160, §§ 1, 5, 6 (C. 17:1B-5.1, 17:1B-9.1, 17:1B-9.2);

6    P. L. 1975, c. 396 (C. 17:1B-9.3);

7    P. L. 1976, c. 3, §§ 3, 8 (C. 55:14J-20.1 and 55:14J-20.2);

8    P. L. 1976, c. 133, § 5 (C. 55:14J-45); and

9    P. L. 1981, c. 515, §§ 1, 2, 6-10 (C. 55:14J-52 to 55:14J-58 inclu-  
10 sive).

1    \*~~[46.]~~\* \*49.\* This act shall take effect immediately.

5 acts, to the extent of such conflict or inconsistency, the provisions  
6 of this act and the rules and regulations adopted thereunder shall  
7 be enforced and the provisions of such other acts and rules and  
8 regulations adopted thereunder shall be of no effect.

1 44. This act shall be construed liberally to effectuate the legis-  
2 lative intent and the purposes of this act as complete and inde-  
3 pendent authority for the performance of every act and thing  
4 herein authorized and all powers herein granted shall be broadly  
5 interpreted to effectuate such intent and purposes and not as a  
6 limitation of powers.

1 45. The following are repealed:

2 P. L. 1967, c. 81, §§ 1-19, 21-40 (C. 55:14J-1 to 55:14J-19 inclu-  
3 sive, C. 55:14J-21 to 55:14J-40 inclusive);

4 P. L. 1970, c. 38 (C. 17:1B-4 to 17:1B-25 inclusive);

5 P. L. 1975, c. 160, §§ 1, 5, 6 (C. 17:1B-5.1, 17:1B-9.1, 17:1B-9.2);

6 P. L. 1975, c. 396 (C. 17:1B-9.3);

7 P. L. 1976, c. 3, §§ 3, 8 (C. 55:14J-20.1 and 55:14J-20.2);

8 P. L. 1976, c. 133, § 5 (C. 55:14J-45); and

9 P. L. 1981, c. 515, §§ 1, 2, 6-10 (C. 55:14J-52 to 55:14J-58 inclu-  
10 sive).

1 46. This act shall take effect immediately.

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#### STATEMENT

This bill merges the New Jersey Mortgage Finance Agency and the New Jersey Housing Finance Agency into a new, single agency to be known as the New Jersey Housing and Mortgage Finance Agency.

The new agency shall have the property rights and undertake all of the debts, liabilities, obligations, agreements and covenants of the original agencies. The employees of the original agencies shall become employees of the new agency without affecting their pension and retirement system rights. The regulations of the original agencies will remain in effect until changed by the new agencies. These provisions help provide for a smooth transition and protect the rights of bond holders and other creditors and employees.

The board of the agency shall consist of the Commissioner of the Department of Community Affairs, who shall serve as its chairman, the State Treasurer, the Attorney General and the Commissioner of Banking, who shall be members ex officio, and three members appointed by the Governor with knowledge in the areas of housing design, construction or operation, urban redevelopment or community relations. The minutes of the board are subject to a gubernatorial veto.

In recognition of non-traditional types of housing now available, the need for innovative housing development techniques, volatile financial markets and changing federal programs, the agency is given considerable flexibility in the types of financing and housing activities authorized. The agency may provide financing for operating, maintaining, constructing, acquiring, rehabilitating or improving housing property. All kinds of housing are covered under the act, including single family homes, multi-family dwellings, congregate or other single room occupancy housing, continuing care retirement communities, mobile homes and non-housing properties and facilities that enhance residential areas. "Housing projects" (rental housing of more than 25 dwelling units) will continue to be governed by existing HFA admission criteria with respect to low and moderate income requirements priority for displaced persons, the elderly and so forth. The new agency will have the power to issue taxable bonds.

The provisions of the Boarding House Life Safety Improvement Act of 1981 are incorporated into the bill.

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[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 3463

STATE OF NEW JERSEY

INTRODUCED APRIL 25, 1983

By Assemblyman SCHWARTZ, Assemblywoman PERUN, Assemblymen CHARLES, WATSON, Assemblywoman BROWN, Assemblymen MEYER, VAN WAGNER, PELLY, PATERNITI, DEVERIN, KARCHER, OTLOWSKI, KERN, VILLANE, McENROE, Assemblywoman KALIK and Assemblymen BRYANT and BROWN

AN ACT to consolidate the New Jersey Housing Finance Agency and the New Jersey Mortgage Finance Agency into a new agency to be known as the New Jersey Housing and Mortgage Finance Agency, establishing its powers and duties, providing for the financing by it of housing in the State and providing for the issuance of bonds, notes and other evidences of financial indebtedness by it.

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

1 1. This act shall be known as and may be cited as the "New Jersey  
2 Housing and Mortgage Finance Agency Law of 1983."

1 2. The Legislature hereby finds that:

2 a. Changing economic conditions and financial markets have  
3 reduced the availability in the private sector of feasible construction  
4 and permanent financing for (1) the construction of new housing,  
5 (2) the conversion of non-residential structures to housing, (3) the  
6 rehabilitation and improvement of existing housing and (4) the  
7 transfer of existing housing among owners; and these conditions  
8 pertain to both rental housing and owner-occupied housing;

9 b. The foregoing conditions adversely affect the economy of this  
10 State and reduce the number of opportunities for adequate and

**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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted May 26, 1983.

\*\*—Assembly amendments adopted June 13, 1983.

11 affordable housing in the State that are available to New Jersey  
12 residents;

13 c. Since their creation the New Jersey Mortgage Finance Agency  
14 and the New Jersey Housing Finance Agency have contributed  
15 significantly to the achievement of the housing goals of New Jersey,  
16 providing over 30,000 units of affordable rental housing, and nearly  
17 30,000 loans for homeownership, as well as numerous loans for home  
18 improvement;

19 d. The continued contribution of these two agencies depends on  
20 the adaptation of their powers to changing federal housing pro-  
21 grams and policies, financing availability for housing and the  
22 housing needs of New Jersey residents; and

23 e. The combination and enhancement of the powers of the two  
24 agencies with respect to the full range of housing types would  
25 achieve an economy of scale and better equip the State to deal with  
26 the changing housing needs of an increasingly diverse population  
27 and economy.

28 The Legislature therefore declares that it is in the best interests  
29 of the residents of New Jersey to create a strong, unified advocate  
30 for housing production, finance and improvement which will  
31 combine available talent, resources and experience to:

32 (1) Assure the availability for both rental housing and  
33 owner-occupied housing of feasible construction and permanent  
34 financing for new housing construction, the conversion of  
35 non-residential structures to housing, the rehabilitation and  
36 improvement of existing housing, and the transfer of existing  
37 housing among owners;

38 (2) Stimulate the construction, rehabilitation and improve-  
39 ment of adequate and affordable housing in the State so as to  
40 increase the number of opportunities for adequate and afford-  
41 able housing in the State for New Jersey residents, including  
42 particularly New Jersey residents of low and moderate income;

43 (3) Enhance the productive capacity of the private sector in  
44 meeting the housing needs of the residents of the State;

45 (4) Assist in the revitalization of the State's urban areas;  
46 and

47 (5) Respond to changing housing demographic and economic  
48 circumstances by the development of innovative and flexible  
49 finance vehicles.

50 Therefore, this act provides for the consolidation of the New  
51 Jersey Housing Finance Agency and the New Jersey Mortgage  
52 Finance Agency into an agency to be known as the New Jersey  
53 Housing and Mortgage Finance Agency.

1 3. As used in this act:

2 a. "Agency" means the New Jersey Housing and Mortgage  
3 Finance Agency as consolidated by section 4 of this act, or, if that  
4 agency shall be abolished by law, the person, board, body or com-  
5 mission succeeding to the powers and duties thereof or to whom its  
6 powers and duties shall be given by law.

7 b. "Boarding house" means any building, together with any  
8 related structure, accessory building, any land appurtenant thereto,  
9 and any part thereof, which contains two or more units of dwelling  
10 space arranged or intended for single room occupancy, exclusive  
11 of any such unit occupied by an owner or operator, including: (1)  
12 any residential hotel or congregate living arrangement, but exclud-  
13 ing any hotel, motel or established guest house wherein a minimum  
14 of 85% of the units of dwelling space are offered for limited tenure  
15 only; (2) a residential health care facility as defined in section 1  
16 of P. L. 1953, c. 212 (C. 30:11A-1) or licensed pursuant to P. L.  
17 1971, c. 136 (C. 26:2H-1 et seq.); (3) any foster home as defined in  
18 section 1 of P. L. 1962, c. 137 (C. 30:4C-26.1); (4) any community  
19 residence for the developmentally disabled as defined in section 2  
20 of P. L. 1977, c. 448 (C. 30:11B-2); (5) any dormitory owned or  
21 operated on behalf of any nonprofit institution of primary, second-  
22 ary or higher education for the use of its students; (6) any building  
23 arranged for single room occupancy wherein the units of dwelling  
24 space are occupied exclusively by students enrolled in a full-time  
25 course of study at an institution of higher education approved by  
26 the Department of Higher Education; and (7) any facility or living  
27 arrangement operated by, or under contract with, any State depart-  
28 ment or agency.

29 c. "Bonds" mean any bonds, notes, bond anticipation notes,  
30 debentures or other evidences of financial indebtedness issued by  
31 the agency pursuant to this act.

32 d. "Continuing-care retirement community" means any work or  
33 undertaking, whether new construction, improvement or rehabilita-  
34 tion, which may be financed in part or in whole by the agency and  
35 which is designed to complement fully independent residential units  
36 with social and health care services (usually including nursing and  
37 medical services) for retirement families and which is intended to  
38 provide continuing care for the term of a contract in return for an  
39 entrance fee or periodic payments, or both, and which may include  
40 such appurtenances and facilities as the agency deems to be neces-  
41 sary, convenient or desirable.

42 e. "Eligible loan" means a loan, secured or unsecured, made for  
43 the purpose of financing the operation, maintenance, construction,

44 acquisition, rehabilitation or improvement of property, or the  
45 acquisition of a direct or indirect interest \*[(including a time-  
46 sharing interest)]\* in property, located in the State, which is or  
47 shall be: (1) primarily residential in character or (2) used or to be  
48 used to provide services to the residents of an area or project which  
49 is primarily residential in character. The agency shall adopt regula-  
50 tions defining the term "primarily residential in character", which  
51 may include single-family, multi-family and congregate or other  
52 single room occupancy housing, continuing-care retirement com-  
53 munities, mobile homes and nonhousing properties and facilities  
54 which enhance the livability of the residential property or area:  
55 and specifying the types of residential services and facilities for  
56 which eligible loans may be made, which may include, but shall not  
57 be limited to, parking facilities, streets, sewers, utilities, and  
58 facilities, food, laundry\*,\* health and other services and commercial  
59 establishments and professional offices providing supplies and  
60 services enhancing the area. The term "loan" includes an obligation  
61 the return on which may vary with any appreciation in value of the  
62 property or interest in property financed with the proceeds of the  
63 loan\*,\* or a coventured instrument by which an institutional lender  
64 or the agency assumes an equity position in the property\*. Any  
64A undivided interest in an eligible loan shall qualify as an eligible  
64B loan.

65 f. "Family" means two or more persons who live or expect to live  
66 together as a single household in the same dwelling unit; but any  
67 individual who (1) has attained retirement age as defined in section  
68 216a of the federal Social Security Act, or (2) is under a disability  
69 as defined in section 223 of that act, or (3) such other individuals  
70 as the agency by rule or regulation shall include, shall be considered  
71 as a family for the purpose of this act; and the surviving member  
72 of a family whose other members died during occupancy of a hous-  
73 ing project shall be considered as a family for the purposes of  
74 permitting continued occupancy of the dwelling unit occupied by  
75 such family.

76 g. "Gross aggregate family income" means the total annual in-  
77 come of all members of a family, from whatever source derived,  
78 including but not limited to, pension, annuity, retirement and social  
79 security benefits; except that there may be excluded from income  
80 (1) such reasonable allowances for dependents, (2) such reasonable  
81 allowances for medical expenses, (3) all or any proportionate part  
82 of the earnings of gainfully employed minors, or (4) such income  
83 as is not received regularly, as the agency by rule or regulation  
84 may determine.

85 h. "Housing project" or "project" means any work or undertak-  
86 ing, other than a continuing-care retirement community, whether  
87 new construction or rehabilitation, which is designed for the prim-  
88 ary purpose of providing rental housing of more than 25 dwelling  
89 units.

90 i. "Housing sponsor" means any person, partnership, corporation  
91 or association to which the agency has made or proposes to make  
92 a loan, either directly or through an institutional lender, for a  
93 housing project.

94 j. "Institutional lender" means any bank or trust company, sav-  
95 ings bank, national banking association, savings and loan associa-  
96 tion, or building and loan association maintaining an office in the  
97 State, or any insurance company or any mortgage banking firm or  
98 mortgage banking corporation authorized to transact business in  
99 the State.

100 k. "Life safety improvement" means any addition, modification  
101 or repair to a boarding house which is necessary to improve the  
102 life safety of the residents of the boarding house, as certified by  
103 the Department of Community Affairs.

104 l. "Life safety improvement loan" means an eligible loan the  
105 proceeds of which are to be used to finance, in whole or in part, the  
106 construction, acquisition or rendering of life safety improvements  
107 at or to boarding houses.

108 m. "Loan originator" means any bank or trust company, savings  
109 bank, national banking association, savings and loan association, or  
110 building and loan association maintaining an office in the State, or  
111 any insurance company or any mortgage banking firm or mortgage  
112 banking corporation authorized to transact business in the State,  
113 or any agency or instrumentality of the United States or the State  
114 or a political subdivision of the State, which is authorized to make  
115 eligible loans.

116 n. "Municipality" means any \***[political subdivision of the State**  
117 **other than a county or a school district]**\* *\*city of any class or any*  
117A *town, township, village or borough*.\*

118 o. "Mutual housing" means a housing project operated or to be  
119 operated upon completion of construction, improvement or rehabil-  
120 itation exclusively for the benefit of the families who are entitled to  
121 occupancy by reason of ownership of stock in the housing sponsor,  
122 or by reason of co-ownership of premises in a horizontal property  
123 regime pursuant to P. L. 1963, c. 168; but the agency may adopt  
124 rules and regulations permitting a reasonable percentage of space  
125 in such project to be rented for residential or for commercial use.

126 p. "Persons and families of low and moderate income" mean

127 persons and families, irrespective of race, creed, national origin or  
128 sex, determined by the agency to require assistance on account of  
129 personal or family income being not sufficient to afford adequate  
130 housing. In making such determination the agency shall take into  
131 account the following: (1) the amount of the total income of such  
132 persons and families available for housing needs, (2) the size of  
133 the family, (3) the cost and condition of housing facilities available  
134 and (4) the eligibility of such persons and families to compete  
135 successfully in the normal housing market and to pay the amounts  
136 at which private enterprise is providing sanitary, decent and safe  
137 housing. In the case of projects with respect to which income limits  
138 have been established by any agency of the federal government  
139 having jurisdiction thereover for the purpose of defining eligibility  
140 of low and moderate income families, the agency may determine  
141 that the limits so established shall govern. In all other cases income  
142 limits for the purpose of defining low or moderate income persons  
143 shall be established by the agency in its rules and regulations.

144 q. "Project cost" means the sum total of all costs incurred in the  
145 acquisition, development, construction, improvement or rehabilita-  
146 tion of a housing project, which are approved by the agency as  
147 reasonable or necessary, which costs shall include, but are not  
148 necessarily limited to, (1) cost of land acquisition and any buildings  
149 thereon, (2) cost of site preparation, demolition and development,  
150 (3) architect, engineer, legal, agency and other fees paid or payable  
151 in connection with the planning, execution and financing of the  
152 project, (4) cost of necessary studies, surveys, plans and permits,  
153 (5) insurance, interest, financing, tax and assessment costs and  
154 other operating and carrying costs during construction, (6) cost of  
155 construction, reconstruction, fixtures, and equipment related to the  
156 real property, (7) cost of land improvements, (8) necessary ex-  
157 penses in connection with initial occupancy of the project, (9) a  
158 reasonable profit or fee to the builder and developer, (10) an allow-  
159 ance established by the agency for working capital and contingency  
160 reserves, and reserves for any operating deficits, (11) costs of  
161 guarantees, insurance or other additional financial security for the  
162 project and (12) the cost of such other items, including tenant  
163 relocation, as the agency shall determine to be reasonable and  
164 necessary for the development of the project, less any and all net  
165 rents and other net revenues received from the operation of the real  
166 and personal property on the project site during construction, im-  
167 provement or rehabilitation.

168 All costs shall be subject to approval and audit by the agency.  
169 The agency may adopt rules and regulations specifying in detail

170 the types and categories of cost which shall be allowable if actually  
171 incurred in the development, acquisition, construction, improvement  
172 or rehabilitation of a housing project.

173 r. "Retirement family" means one or more persons related by  
174 blood, marriage or adoption who live or expect to live together as  
175 a single household in the same dwelling unit, provided that at least  
176 one of the persons is an individual who (1) has attained retirement  
177 age as defined in section 216a of the Federal Social Security Act, or  
178 (2) is under a disability as defined in section 223 of that act, or (3)  
179 such individuals as the agency by rule or regulation shall include;  
180 and provided further, that the surviving member of a retirement  
181 family whose other members died during occupancy of a con-  
182 tinuing-care retirement community shall be considered as a retire-  
183 ment family for purposes of permitting continued occupancy of the  
184 dwelling unit occupied by such retirement family.

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

8 b. In this section, the words "original agencies" refer to the  
9 agencies which are consolidated pursuant to subsection a. of this  
10 section before their consolidation, and the word "agency" refers  
11 to the single agency resulting from that consolidation.

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

16 d. All debts, liabilities, obligations, agreements and covenants of  
17 the original agencies are hereby imposed upon the agency. Any  
18 property of the original agencies in which a mortgage or security  
19 interest has been granted to any bondholders or other creditors of  
20 either of the original agencies shall continue to be subject to that  
21 mortgage or security interest until the mortgage or security interest  
22 is *\*defeased or\** terminated in accordance with its terms. All bond-  
23 holders and other creditors of the original agencies and persons  
24 having claims against or contracts with the original agencies of any  
25 kind or character may enforce those debts, claims and contracts  
26 against the agency in the same manner as they might have against  
27 the original agencies respectively, and the rights and remedies of  
28 those bondholders, creditors and persons having claims or contracts  
28A shall not be limited or restricted in any manner by this act.

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

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

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

39 h. All employees of the original agencies shall become employees  
40 of the agency. Nothing in this title shall affect the civil service  
41 status, if any, of those employees or their rights, privileges, obli-  
42 gations or status with respect to any pension or retirement system.

43 i. The agency is hereby established in, but not of, the Department  
44 of Community Affairs and constituted a body politic and corporate  
45 and an instrumentality exercising public and essential govern-  
46 mental functions, and the exercise by the agency of the powers  
47 conferred by this act shall be deemed and held to be an essential  
48 governmental function of the State.

49 j. The agency shall consist of the Commissioner of the Depart-  
50 ment of Community Affairs, the State Treasurer, the Attorney  
51 General and the Commissioner of Banking, who shall be members  
52 ex officio, and three members appointed by the Governor with the  
53 advice and consent of the Senate for terms of three years. The  
54 three members appointed by the Governor shall be residents of the  
55 State and shall have knowledge in the areas of housing design,  
56 construction or operation; finance; urban redevelopment; or com-  
57 munity relations. The members first appointed by the Governor  
58 shall serve for terms of one year, two years and three years re-  
59 spectively. Each member shall hold office for the term of his  
60 appointment and until his successor shall have been appointed and  
61 qualified. A member of the agency shall be eligible for reappoint-  
62 ment.

63 k. Each ex officio member of the agency may designate an officer  
64 or employee of his department or agency to represent him at  
65 meetings of the agency, and each designee may lawfully vote and  
66 otherwise act on behalf of the member for whom he constitutes  
67 the designee. Any designation shall be in writing, delivered to the  
68 agency and shall continue in effect until revoked or amended by  
69 writing, delivered to the agency.

70 i. Each member of the agency may be removed from office by the  
71 Governor, for cause, after a public hearing and may be suspended



72 by the Governor pending the completion of such a hearing. Each  
73 member of the agency before entering upon his duties shall take  
74 and subscribe an oath to perform the duties of the office faithfully,  
75 impartially and justly to the best of his ability. A record of these  
76 oaths shall be filed in the office of the Secretary of State.

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

80 n. The Commissioner of the Department of Community Affairs  
81 shall be the chairman of the agency and the members shall elect  
82 one of their number as vice-chairman thereof. The agency shall  
83 elect a secretary and a treasurer who need not be members; but  
84 the same person may be elected to serve both as secretary and  
85 treasurer. The powers of the agency shall be vested in the members  
86 thereof in office from time to time and four **\*[voting]\*** members  
87 (which shall include at least two ex officio members) of the agency  
88 shall constitute a quorum at any meeting thereof. Action may be  
89 taken and motions and resolutions adopted by the agency at any  
90 meeting thereof by the affirmative vote of at least four **\*[voting]\***  
91 members of the agency, which shall include at least two ex officio  
92 members. No vacancy in the membership of the agency shall im-  
93 pair the right of a quorum to exercise all the powers and perform  
94 all the duties of the agency.

95 o. A true copy of the minutes of every meeting of the **\*[author-**  
96 **ity]\* \*agency\*** shall be forthwith delivered by and under the certi-  
97 fication of the secretary thereof to the Governor. No action taken  
98 at such meeting by the **\*[authority]\* \*agency\*** shall have force or  
99 effect until 10 days, Saturdays, Sundays, and public holidays ex-  
100 cepted, after such copy of the minutes shall have been so delivered  
101 unless during such 10-day period the Governor shall approve the  
102 same in which case such action shall become effective upon such  
103 approval. If, in said 10-day period, the Governor returns such  
104 copy of the minutes with veto of any action taken by the **\*[author-**  
105 **ity]\* \*agency\*** or any member thereof at such meeting, such action  
106 shall be null and void and of no effect. The Governor may approve  
107 all or part of the action taken at such meeting prior to the expira-  
107A tion of the said 10-day period.

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

111 q. Notwithstanding the provisions of any other law, no officer or  
112 employee of the State shall be deemed to have forfeited or shall  
113 forfeit his office or employment or any benefits or emoluments

114 thereof by reason of acceptance of the office of member of the  
115 agency or his services in such office.

116 r. The agency may be dissolved by act of the Legislature on  
117 condition that the agency has no debts or obligations outstanding or  
118 provision has been made for the payment or retirement of its  
119 debts or obligations. Upon dissolution of the agency all property,  
120 funds and assets thereof shall be vested in the State.

1 5. In order to carry out the purposes and provisions of this act,  
2 the agency, in addition to any powers granted to it elsewhere in  
3 this act, shall have the following powers:

4 a. To adopt bylaws for the regulation of its affairs and the  
5 conduct of its business; to adopt an official seal and alter the same  
6 at pleasure; to maintain an office at such place or places within  
7 the State as it may designate; to sue and be sued in its own name;

8 b. To conduct examinations and hearings and to hear testimony  
9 and take proof, under oath or affirmation, at public or private  
10 hearings, on any matter material for its information and necessary  
11 to carry out the provisions of this act;

12 c. To issue subpoenas requiring the attendance of witnesses and  
13 the production of books and papers pertinent to any hearing be-  
14 fore the agency, or before one or more of the members of the agency  
15 appointed by it to conduct a hearing;

16 d. To apply to any court, having territorial jurisdiction of the  
17 offense, to have punished for contempt any witness who refuses to  
18 obey a subpoena, or who refuses to be sworn or affirmed to testify,  
19 or who is guilty of any contempt after summons to appear;

20 e. To acquire by purchase, gift, foreclosure or condemnation any  
21 real or personal property, or any interest therein, to enter into any  
22 lease of property and to hold, sell, assign, lease, encumber, mort-  
23 gage or otherwise dispose of any real or personal property, or  
24 any interest therein, or mortgage lien interest owned by it or under  
25 its control, custody or in its possession and release or relinquish  
26 any right, title, claim, lien, interest, easement or demand however  
27 acquired, including any equity or right of redemption, in property  
28 foreclosed by it and to do any of the foregoing by public or pri-  
29 vate sale, with or without public bidding, notwithstanding the  
30 provisions of any other law;

31 f. To acquire, hold, use and dispose of its income, revenues,  
32 funds and moneys;

33 g. To adopt rules and regulations expressly authorized by this  
34 act and such additional rules and regulations as shall be necessary  
35 or desirable to carry out the purposes of this act; it shall publish  
36 the same and file them with the Secretary of State;

37 h. To borrow money or secure credit on a temporary, short-  
38 term, interim or long-term basis, and to issue negotiable bonds and  
39 to secure the payment thereof and to provide for the rights of the  
40 holders thereof;

41 i. To make and enter into and enforce all contracts and agree-  
42 ments necessary, convenient or desirable to the performance of  
43 its duties and the execution of its powers under this act, including  
44 contracts or agreements with qualified financial institutions for  
45 the servicing and processing of eligible loans owned by the agency;

46 j. To appoint and employ an executive director, who shall be the  
47 chief executive officer of the agency, and additional officers, who  
48 need not be members of the agency as the agency deems advisable,  
49 and to employ architects, engineers, attorneys, accountants, con-  
50 struction and financial experts and other employees and agents as  
51 may be necessary in its judgment and to determine their qualifica-  
52 tions, terms of office, duties and compensation; and to promote  
53 and discharge such officers, employees and agents, all without re-  
54 gard to the provisions of Title 11 of the Revised Statutes, Civil  
55 Service;

56 k. To contract for and to receive and accept any gifts, grants,  
57 loans or contributions from any source, of money, property, labor  
58 or other things of value, to be held, used and applied to carry out  
59 the purposes of this act subject to the conditions upon which the  
60 grants and contributions may be made, including, but not limited  
61 to, gifts or grants from any department or agency of the United  
62 States or the State for payment of rent supplements to eligible  
63 families or for the payment in whole or in part of the interest  
64 expense for a housing project or for any other purpose consistent  
65 with this act;

66 l. To enter into agreements to pay annual sums in lieu of taxes  
67 to any political subdivision of the State with respect to any real  
68 property owned or operated directly by the agency;

69 m. To procure insurance against any loss in connection with its  
70 operations, property and other assets (including eligible loans) in  
71 the amounts and from the insurers it deems desirable;

72 n. To the extent permitted under its contract with the holders of  
73 bonds of the agency, to consent to any modification with respect to  
74 rate of interest, time and payment of any installment of principal  
75 or interest, security or any other terms of any loan to an insti-  
76 tutional lender, eligible loan, loan commitment, contract or  
77-78 agreement of any kind to which the agency is a party;

79 o. To the extent permitted under its contract with the holders of  
80 bonds of the agency, to enter into contracts with any housing spon-

81 sor containing provisions enabling the housing sponsor to reduce  
82 the rental or carrying charges to persons unable to pay the regular  
83 schedule of charges \***【whereby】**\* *where, by* reason of other in-  
84 come or payment from the agency, any department or agency of  
85 the United States or the State, these reductions can be made with-  
86 out jeopardizing the economic stability of the housing project;

87 p. To make and collect the fees and charges it determines are  
88 reasonable;

89 q. To the extent permitted under its contract with the holders of  
90 bonds of the agency, to invest and reinvest any moneys of the  
91 agency not required for immediate use, including proceeds from  
92 the sale of any obligations of the agency, in obligations, securities  
93 or other investments as the agency deems prudent. All functions,  
94 powers and duties relating to the investment or reinvestment of  
95 these funds, including the purchase, sale or exchange of any in-  
96 vestments or securities may, upon the request of the agency, be  
97 exercised and performed by the Director of the Division of Invest-  
98 ment in the Department of the Treasury, in accordance with written  
99 directions of the agency signed by an authorized officer, without  
100 regard to any other law relating to investments by the Director of  
101 the Division of Investment;

102 r. To provide, contract or arrange for, \***【whereby】**\* *where, by*  
103 reason of the financing arrangement, review of the application and  
104 proposed construction of a project is required by or in behalf of any  
105 department or agency of the United States, consolidated processing  
106 of the application or supervision or, in the alternative, to delegate  
107 the processing in whole or in part to any such department or  
108 agency;

109 s. To make eligible loans, and to participate with any depart-  
110 ment, agency or authority of the United States or of any state  
111 thereof, this State, a municipality, or any banking institution,  
112 foundation, labor union, insurance company, trustee or fiduciary  
113 in an eligible loan, \***【to a housing sponsor】**\* secured by a single  
114 participating mortgage, by separate mortgages or by other security  
115 agreements, the interest of each having equal priority as to lien in  
116 proportion to the amount of the loan so secured, but which need not  
117 be equal as to interest rate, time or rate of amortization or other-  
118 wise, and to undertake commitments to make such loans;

119 t. To assess from time to time the housing needs of any munici-  
120 pality which is experiencing housing shortages as a result of the  
121 authorization of casino gaming and to address those needs when  
122 planning its programs;

123 u. To sell *any eligible loan made by the agency or any loan to an*

124 *institutional lender owned by the agency\**, at public or private sale,  
 125 with or without bidding, \***[any]**\* *\*either singly or in groups, or in*  
 126 *shares of loans or shares of groups of loans, issue securities, certi-*  
 127 *ficates or other evidence of ownership secured by such loans or*  
 128 *groups of loans, sell the same to investors, arrange for the market-*  
 128A *ing of the same; and to deposit and invest the funds derived from*  
 128B *such sales in any manner authorized by this act;\** \***[eligible loan**  
 128C *or loan owned by the agency to an institutional lender;]\**

128D v. To make commitments to purchase, and to purchase, service  
 128E and sell, eligible loans\*, *pools of loans or securities based on loans,\**  
 128F *insured \*or issued\** by any department or agency of the United  
 128G States, and to make loans directly upon the security of any such  
 128H *loan\*, pools of loans or securities\**;

129 w. To provide such advisory consultation, training and educa-  
 130 tional services as will assist in the planning, construction, rehabili-  
 131 tation and operation of housing including but not limited to assist-  
 132 ance in community development and organization, home manage-  
 133 ment and advisory services for residents and to encourage com-  
 134 munity organizations and local governments to assist in developing  
 135 housing;

136 x. To encourage research in and demonstration projects to de-  
 137 velop new and better techniques and methods for increasing the  
 138 supply, types and financing of housing and housing projects in the  
 139 State and to engage in these research and demonstration projects  
 140 and to receive and accept contributions, grants or aid, from any  
 141 source, public or private, including but not limited to the United  
 142 States and the State, for carrying out this purpose;

143 y. To provide to housing sponsors, through eligible loans or  
 144 otherwise, financing, refinancing or financial assistance for fully  
 145 completed, as well as partially completed, projects which may or  
 146 may not be occupied, if the projects meet all the requirements of  
 147 this act, except that, prior to the making of the mortgage loan by  
 148 the agency, said projects need not have complied with sections  
 149 7.a.(9) and 40 of this act;

150 \*z. *To encourage and stimulate cooperatives and other forms of*  
 151 *housing with tenant participation;*

152 *aa. To promote innovative programs for home ownership, in-*  
 153 *cluding but not limited to lease-purchase programs, employer-*  
 154 *sponsored housing programs, and tenant cooperatives.*

155 *bb. To set aside and designate, out of the funds that are or may*  
 156 *become available to it for the purpose of financing housing in this*  
 157 *State pursuant to the terms of this act, certain sums or proportions*  
 158 *thereof to be used for the financing of housing and home-ownership*

159 *opportunities, including specifically lease-purchase arrangements,*  
 160 *provided by employers to their employees through nonprofit or*  
 161 *limited-dividend corporations or associations created by employers*  
 162 *for that purpose; and to establish priority in funding, offer bonus*  
 163 *fund allocations, and institute other incentives to encourage such*  
 164 *employer-sponsored housing and home-ownership opportunities;\**

165 \***[z.]**\* *cc.*\* Subject to any agreement with bondholders, to col-  
 166 lect, enforce the collection of, and \***[foreclosure]**\* *foreclose*\*  
 167 on any property or collateral securing its eligible loan or loans to  
 168 institutional lenders and acquire or take possession of such prop-  
 169 erty or collateral and sell the same at public or private sale, with  
 170 or without bidding, and otherwise deal with such collateral as may  
 171 be necessary to protect the interests of the agency therein;

172 \***[aa.]**\* *dd.*\* To administer and to enter into agreements to ad-  
 173 minister programs of the federal government or any other entity  
 174 which are in furtherance of the purposes of this act;

175 \***[bb.]**\* *ee.*\* To do and perform any acts and things authorized  
 176 by this act under, through, or by means of its officers, agents or  
 177 employees or by contracts with any person, firm or corporation; and

178 \***[cc.]**\* *ff.*\* To do any acts and things necessary or convenient  
 179 to carry out the powers expressly granted in this act.

1 6. a. The agency, in order to encourage the development, opera-  
 2 tion, maintenance, construction, improvement and rehabilitation of  
 3 safe and adequate housing in the State, is hereby authorized and  
 4 empowered to finance, by the making of eligible loans or otherwise,  
 5 the construction, improvement or rehabilitation of housing projects  
 6 in the State.

7 b. The agency, in order to carry out the purposes of subsection  
 8 a. of this section, may:

9 (1) accept applications for loans;

10 (2) enter into agreements with housing sponsors for perma-  
 11 nent loans and temporary loans or advances in anticipation  
 12 of permanent loans for the developments, operation, mainte-  
 13 nance, construction, improvement or rehabilitation of housing  
 14 projects; and

15 (3) make permanent loans and temporary loans or advances  
 16 in anticipation of permanent loans to housing sponsors under  
 17 the provisions of this act.

18 c. No application for a loan for the construction, improvement  
 19 or rehabilitation of a housing project containing rental units to be  
 20 rented at below market rates to be located in any municipality shall  
 21 be processed unless there is already filed with the secretary of the  
 22 agency a certified copy of a resolution adopted by the municipality

23 reciting that there is a need for such housing projects in the mu-  
24 nicipality.

25 d. Every application for a loan to a housing sponsor shall be  
26 made on forms furnished by the agency and shall contain such  
27 information as the agency shall require.

28 e. In considering any application for a loan for a housing project,  
29 the agency shall give first priority to applications for loans for the  
30 construction, improvement or rehabilitation of housing projects  
31 which will be a part of or constructed in connection with an urban  
32 redevelopment program, and also shall give consideration to:

33 (1) the comparative need of the area to be served by the  
34 proposed project for housing;

35 (2) the ability of the applicant to construct, operate, manage  
36 and maintain the proposed housing project;

37 (3) the existence of zoning or other regulations to protect  
38 adequately the proposed housing project against detrimental  
39 future uses which could cause undue depreciation in the value  
40 of the project;

41 (4) the availability of adequate parks, recreational areas,  
42 utilities, schools, transportation and parking;

43 (5) the availability of adequate, accessible places of employ-  
44 ment; and

45 (6) where applicable, the eligibility of the applicant to make  
46 payments to the municipality in which the housing project is  
47 located in lieu of local property taxes.

1 7. a. Loans made by the agency to finance housing projects shall  
2 be subject to the following terms and conditions:

3 (1) The loan shall be for a period of time not in excess of  
4 50 years as determined by the agency;

5 (2) The amount of the loan shall not exceed 90% of the total  
6 project cost as determined by the agency, except that as to  
7 projects to be owned, constructed, improved, rehabilitated,  
8 operated, managed and maintained as mutual housing or by  
9 any corporation or association organized not for profit which  
10 has as one of its purposes the construction, improvement or  
11 rehabilitation of housing projects, the amount of the loan shall  
12 not exceed 100% of the total project cost as determined by the  
13 agency; but the agency may make additional loans to a hous-  
14 ing sponsor to which a loan by the agency for the cost of a  
15 project is outstanding if and to the extent that the agency  
16 finds that such additional loan is required to more adequately  
17 secure and protect the project or to avoid a default by the  
18 sponsor on the original loan for the cost of the project and

19 is in the best interest of the agency and the holders of its  
20 bonds issued to finance the original loan for the cost of the  
21 project;

22 (3) The interest rate on the loan shall be established by the  
23 agency at the lowest level consistent with the agency's cost of  
24 operation and its responsibilities to the holders of its bonds;

25 (4) The loan shall be evidenced by a mortgage note or bond  
26 and by a mortgage which shall be a first lien on the project  
27 and which shall contain such terms and provisions and be in  
28 a form approved by the agency. The agency shall require the  
29 qualified housing sponsor receiving a loan or its contractor to  
30 post security in amounts related to the project cost as estab-  
31 lished by regulation and to execute such other assurances and  
32 guarantees as the agency may deem necessary and may require  
33 its principals or stockholders to also execute such other assur-  
34 ances and guarantees as the agency may deem necessary;

35 (5) The loan shall be subject to an agreement between the  
36 agency and the housing sponsor which will subject the housing  
37 sponsor and its principals or stockholders to limitations estab-  
38 lished by the agency as to rentals and other charges, builders'  
39 and developers' profits and fees, and the disposition of its  
40 property and franchises to the extent more restrictive limita-  
41 tions are not provided by the law under which the borrower is  
42 incorporated or organized;

43 (6) The loan shall be subject to an agreement between the  
44 agency and the housing sponsor limiting the housing sponsor  
45 and its principals or stockholders to such rate of return on its  
46 investment in the housing project to be assisted with a loan  
47 from the agency as shall be fixed from time to time by the  
48 agency in its regulations which shall take into account the  
49 prevailing rates of return available for similar investments  
50 and the risks associated with the development of the project,  
51 together with factors designed to promote the objectives of  
52 providing affordable housing, encouraging investment in urban  
53 development areas, maintaining and improving the existing  
54 housing stock, and other objectives of this act; but agreements  
55 entered into by the predecessors of the agency prior to the  
56 effective date of this act shall continue to be subject to any  
57 restrictions on rate of return imposed by prior law unless  
58 those restrictions are expressly modified pursuant to regula-  
59 tions of the agency. No housing sponsor which is permitted  
60 by the provisions of the law under which it is organized or  
61 incorporated to earn a return on its investment, nor any of



62 the principals or stockholders of that housing sponsor, shall  
63 earn, accept or receive a return on investment greater than  
64 the rate of return fixed by the agency in any housing project  
65 assisted with a loan from the agency, whether upon the com-  
66 pletion of the construction, improvement or rehabilitation of  
67 the project, or upon the operation thereof, or upon the sale,  
68 assignment or lease of the project to any other person, associa-  
69 tion or corporation. Any person, association or corporation  
70 who violates the provisions of this subsection is guilty of a  
71 crime of the fourth degree;

72 (7) No loan shall be executed except a loan made to a  
73 corporation or association organized not for profit which has  
74 as one of its purposes the development, construction, improve-  
75 ment or rehabilitation of housing projects or for mutual hous-  
76 ing unless the housing sponsor agrees (a) to certify upon  
77 completion of project construction, improvement or rehabilita-  
78 tion, subject to audit by the agency, either that the actual  
79 project cost as defined herein exceeded the amount of the loan  
80 proceeds by 10% or more, or the amount by which the loan  
81 proceeds exceed 90% of the total project cost, and (b) to pay  
82 forthwith to the agency, for application to reduction of the  
83 principal of the loan, the amount, if any, of such excess loan  
84 proceeds, subject to audit and determination by the agency.  
85 No loan shall be made to a corporation or association orga-  
86 nized not for profit or for mutual housing unless the corpora-  
87 tion or association organized not for profit or for mutual  
88 housing agrees to certify the actual project cost upon comple-  
89 tion of the project, subject to audit and determination by the  
90 agency, and further agrees to pay forthwith to the agency, for  
91 application to reduction of the principal of the loan, the  
92 amount, if any, by which the proceeds of the loan exceed the  
93 certified project cost subject to audit and determination by  
94 the agency. Notwithstanding the provisions of this paragraph,  
95 the agency may accept, in lieu of any certification of project  
96 cost as provided herein, such other assurances of the project  
97 cost in any form or manner whatsoever, as will enable the  
98 agency to determine with reasonable accuracy the amount of  
99 the project cost;

100 (8) No loan shall be made for the construction, improve-  
101 ment or rehabilitation of a housing project for which tax  
102 exemption is granted by a municipality unless the tax exemp-  
103 tion remains in effect during the entire term of the loan, unless  
104 a lesser period of tax exemption is approved by the agency; and

105 (9) The loan shall be subject to an agreement between the  
106 agency and the qualified housing sponsor which contains a  
107 provision stating the prevailing wage rate, as determined by  
108 either the Commissioner of Labor and Industry or the Secre-  
109 tary of the United States Department of Labor in accordance  
110 with the provisions of section 40 of this act, which can be paid  
111 to the workmen employed in the performance of any contract  
112 for the construction or rehabilitation of any housing project,  
113 and which stipulates that the qualified housing sponsor, or  
114 any builder, contractor or subcontractor thereof, shall pay to  
115 such workmen not less than the applicable prevailing wage  
116 rate pursuant to that section.

117 b. As a condition of any loan to finance a housing project, the  
118 agency shall have the power at all times during the construction,  
119 improvement or rehabilitation of a housing project and the opera-  
120 tion thereof:

121 (1) To enter upon and inspect without prior notice any  
122 project, including all parts thereof, for the purpose of inves-  
123 tigating the physical and financial condition thereof, and its  
124 construction, improvement, rehabilitation, operation, manage-  
125 ment and maintenance, and to examine all books and records  
126 with respect to capitalization, income and other matters relat-  
127 ing thereto and to make such charges as may be required to  
128 cover the cost of such inspections and examinations;

129 (2) To order such alterations, changes or repairs as may be  
130 necessary to protect the security of its investment in a housing  
131 project or the health, safety, and welfare of the occupants  
132 thereof;

133 (3) To order any managing agent, project manager or owner  
134 of a housing project to do such acts as may be necessary to  
135 comply with the provisions of all applicable laws or ordinances  
136 or any rule or regulation of the agency or the terms of any  
137 agreement concerning the project or to refrain from doing  
138 any acts in violation thereof and in this regard the agency  
139 shall be a proper party to file a complaint and to prosecute  
140 thereon for any violations of law or ordinances as set forth  
141 herein;

142 (4) To require the adoption and continuous use of uniform  
143 systems of accounts and records for a project and to require  
144 all owners or managers of a project to file annual reports  
145 containing that information and verified in such manner as  
146 the agency shall require, and to file at the times and on the  
147 forms as it may prescribe, reports and answers to specific

148 inquiries required by the agency to determine the extent of  
149 compliance with any agreement, the terms of the loan, the pro-  
150 visions of this act and any other applicable law;

151 (5) To enforce, by court action if necessary, the terms and  
152 provisions of any agreement between the agency and the hous-  
153 ing sponsor and the terms of any agreement between the hous-  
154 ing sponsor and any municipality granting tax exemption, as  
155 to schedules of rental or carrying charges, income limits as  
156 applied to tenants or occupants, or any other limitation im-  
157 posed upon the housing sponsor as to financial structure, con-  
158 struction or operation of the project; and

159 (6) In the event of a violation by the housing sponsor of the  
160 terms of any agreement between the agency and the housing  
161 sponsor, or between the municipality granting tax exemption  
162 and the housing sponsor, or in the event of a violation by the  
163 housing sponsor of this act or of the terms of the loan agree-  
164 ment or of any rules and regulations of the agency duly  
165 promulgated pursuant to this act, or in the event that the  
166 agency shall determine that any loan or advance from the  
167 Housing Development Fund pursuant to section 28 of this act  
168 is in jeopardy of not being repaid, the agency may, without  
169 resort to any judicial process, assume all of the powers and  
170 duties of the housing sponsor in the management and opera-  
171 tion of the project, including but not limited to the power to  
172 receive all revenues and pay all expenses of the project and  
173 the power to control all property, including bank accounts and  
174 cash, owned by the housing sponsor. The agency may appoint  
175 such person or persons whom the agency in its sole discretion  
176 deems advisable, including officers or employees of the agency,  
177 to perform the functions of the officers or other controlling  
178 persons of the housing sponsor. Persons so appointed need  
179 not be stockholders or meet other qualifications which may be  
180 prescribed by the certificate of incorporation, bylaws or part-  
181 nership agreement of the housing sponsor. In the absence of  
182 fraud or bad faith, persons so appointed shall not be personally  
183 liable for debts, obligations or liabilities of the housing spon-  
184 sor. Persons so appointed shall serve only for a period co-  
185 existent with the duration of the violation or until the agency  
186 is assured in a manner satisfactory to it that the violation, or  
187 violations of a similar nature, will not reoccur. Persons so  
188 appointed shall serve in such capacity without compensation,  
189 but shall be entitled to be reimbursed, if and as the certificate  
190 of incorporation, bylaws or partnership agreement of the

191 housing sponsor may provide, for all necessary expenses in-  
192 curred in the discharge of their duties as determined by the  
193 agency.

1 8. a. Admission to housing projects constructed, improved or  
2 rehabilitated under this act shall be limited to families whose  
3 gross aggregate family income at the time of admission does not  
4 exceed six times the annual rental or carrying charges, including  
5 the value or cost to them of heat, light, water, sewerage, parking  
6 facilities and cooking fuel, of the dwellings that may be furnished  
7 to such families, or seven times those charges if there are three or  
8 more dependents. There may be included in the carrying charges  
9 to any family for residence in any mutual housing project con-  
10 structed, improved or rehabilitated with a loan from the agency  
11 an amount equal to 6% of the original cash investment of the  
12 family in the mutual housing project and, to the extent authorized  
13 by the agency where not included in the carrying charges, the  
14 value or cost of repainting the apartment and replacing any  
15 fixtures or appliances. Notwithstanding the provisions of this  
16 section, no family or individual shall be eligible for admission to  
17 any housing project constructed, improved or rehabilitated with a  
18 loan from the agency, whose gross aggregate family income ex-  
19 ceeds such amount as shall be established from time to time by  
20 the agency, by rules or regulations promulgated hereunder; except  
21 that with respect to any project financed by an agency loan insured  
22 or guaranteed by the United States of America or any agency or  
23 instrumentality thereof, the agency may adopt the admission  
24 standards for such projects then currently utilized or required by  
25 the guarantor or insurer.

26-29 b. The agency shall by rules and regulations provide for the  
30 periodic examination of the income of any person or family resid-  
31 ing in any housing project constructed, improved or rehabilitated  
32 with a loan from the agency. If the gross aggregate family income  
33 of a family residing in a housing project increases and the ratio to  
34 the current rental or carrying charges of the dwelling unit becomes  
35 greater than the ratio prescribed for admission in subsection a. of  
36 this section but is not more than 25% above the family income so  
37 prescribed for admission to the project, the owner or managing  
38 agent of the housing project shall permit the family to continue to  
39 occupy the unit. The agency or (with the approval of the agency)  
40 the housing sponsor of any housing project constructed, improved  
41 or rehabilitated with a loan from the agency, may terminate the  
42 tenancy or interest of any family residing in the housing project  
43 whose gross aggregate family income exceeds by 25% or more the

44 amount prescribed herein and which continues to do so for a period  
45 of six months or more; but no tenancy or interest of any such  
46 family in any such housing project shall be terminated except upon  
47 reasonable notice and opportunity to obtain suitable alternate hous-  
48 ing, in accordance with rules and regulations of the agency; and  
49 any such family, with the approval of the agency, may be permitted  
50 to continue to occupy the unit, subject to payment of a rent or  
51 carrying \*charge\* surcharge to the housing sponsor in accordance  
52 with a schedule of surcharges fixed by the agency. The housing  
53 sponsor shall pay the surcharge to the municipality granting tax  
54 exemption, but only up to an amount that together with payments  
55 made to the municipality in lieu of taxes and for any land taxes  
56 equals 25% of the total rents or carrying charges of the housing  
57 project for the current and any prior years that the project has  
57A been in operation.

58 c. For projects on which the agency has made a loan and financed  
59 the loan with the proceeds of bonds issued prior to January 1, 1973,  
60 any remainder of the surcharge, or the total surcharge if tax  
61 exemption has not been granted, shall be paid into the housing  
62 finance fund securing the bonds issued to finance the project for  
63 the use of the agency; for projects financed on or after January 1,  
64 1973, any remainder of the surcharge, or the total surcharge if  
65 tax exemption has not been granted, shall be paid to the agency.

66 d. Any family residing in a mutual housing project required to  
67 remove from the project because of excessive income as herein  
68 provided shall be discharged from liability on any note, bond or  
69 other evidence of indebtedness relating thereto and shall be reim-  
70 bursed, in accordance with the rules of the agency, for all sums  
71 paid by the family to the housing sponsor on account of the pur-  
72 chase of stock or debentures as a condition of occupancy or on  
73 account of the acquisition of title for such purpose.

74 e. The agency shall establish admission rules and regulations for  
75 any housing project financed in whole or in part by loans authorized  
76 hereunder which shall provide priority categories for persons dis-  
77 placed by urban renewal projects, highway programs or other  
78 public works, persons living in substandard housing, persons and  
79 families who, by reason of family income, family size or disabilities,  
80 have special needs, elderly persons and families living under condi-  
81 tions violative of minimum health and safety standards.

1 9. a. The agency may institute any action or proceeding against  
2 any housing sponsor receiving a loan under the provisions hereof,  
3 or owning any housing project hereunder in any court of competent  
4 jurisdiction in order to enforce the provisions of this act, or to

5 foreclose its mortgage, or to protect the public interest, the tenants,  
6 the stockholders or creditors of the sponsor. In connection with  
7 any such action or proceeding it may apply for the appointment  
8 of a receiver to take over, manage, operate and maintain the  
9 affairs of the housing sponsor and the agency, through the agent as  
10 it shall designate, is authorized to accept appointment as receiver  
11 of the sponsor when so appointed by a court of competent juris-  
12 diction.

13 b. The reorganization of any housing sponsor shall be subject to  
14 the supervision and control of the agency, and no reorganization  
15 shall be had without the consent of the agency. Upon a reorganiza-  
16 tion, the amount of capitalization, including stocks, income deben-  
17 tures and bonds and other evidences of indebtedness, shall be as  
18 authorized by the agency, but not in excess of the fair value of the  
19 property received.

1 10. a. In any foreclosure action involving a housing sponsor other  
2 than a foreclosure action instituted by the agency, the agency and  
3 the municipality in which any tax exemption or abatement is pro-  
4 vided to the housing sponsor shall, in addition to other necessary  
5 parties, be made parties defendant. The agency and the munici-  
6 pality shall take all steps in the action necessary to protect the  
7 interest of the public therein, and no costs shall be awarded against  
8 the agency or the municipality.

9 b. Subject to the terms of any applicable loan agreement, contract  
10 or other instrument entered into or obtained pursuant to subsection  
11 a. of section 7 of this act, judgment of foreclosure in accordance  
12 with this section shall not be entered unless the court to which  
13 application therefor is made shall be satisfied that the interest  
14 of the lienholder or holders cannot be adequately secured or safe-  
15 guarded except by the sale of the property; and in the proceeding  
16 the court shall be authorized to make an order increasing the rental  
17 or carrying charges to be charged for the housing accommodations  
18 in the housing project involved in the foreclosure, or appoint a  
19 member of the agency or any officer of the municipality in which  
20 any tax exemption or abatement with respect to the project is  
21 provided, as a receiver of the property, or grant such other and  
22 further relief as may be reasonable and proper; and in the event  
23 of a foreclosure or other judicial sale, the property shall be sold  
24 only to a housing sponsor which will manage, operate and maintain  
25 the project subject to the provisions of this act, unless the court  
26 finds that the interest and principal on the obligations secured by  
27 the lien which is the subject of foreclosure cannot be earned under  
28 the limitations imposed by the provisions of this act and that the

29 proceeding was brought in good faith, in which event the property  
 30 may be sold free of limitations imposed by this act or subject to  
 31 such limitations as the court may deem advisable to protect the  
 32 public interest.

33 c. In the event of a judgment against any housing sponsor in any  
 34 action not pertaining to the foreclosure of a mortgage, there shall  
 35 be no sale of any of the real property included in any housing  
 36 project hereunder of the housing sponsor except upon 120 days'  
 37 written notice to the agency. Upon receipt of the notice the agency  
 38 shall take those steps as in its judgment may be necessary to  
 39 protect the rights of all parties.

1 11. a. The agency may make loans to institutional lenders in order  
 2 to furnish funds to institutional lenders to make eligible loans;  
 3 but an eligible loan for a housing project shall be subject to all the  
 4 provisions of this act applicable to agency loans to housing sponsors  
 5 for housing projects.

6 b. The agency shall adopt rules and regulations governing the  
 7 making of these loans to institutional lenders and the application  
 8 of the proceeds thereof, including rules and regulations as to any  
 9 of the following:

10 (1) procedures for the submission of requests or the invita-  
 11 tion of proposals for loans;

12 (2) standards and requirements concerning allocations of  
 13 loans to the institutional lenders or awards of loans and de-  
 14 termining the amounts of interest rates thereof;

15 (3) limitations or restrictions as to the number of family  
 16 units, location or other qualifications or characteristics \*~~pro-~~  
 17 ~~jects or of~~ \* *of projects or* \* residences to be financed by eligi-  
 17A ble loans,

18 (4) restrictions as to the maturities and interest rates on  
 19 eligible loans or the return realized therefrom by institutional  
 19A lenders;

20 (5) requirements as to commitments by institutional lenders  
 21 with respect to eligible loans;

22 (6) schedules of any fees and charges necessary to provide  
 23 for expenses and reserves of the agency; and

24 (7) any other matters related to the duties and the exercise  
 25 of the powers of the agency under this section.

26 These rules and regulations shall be designed to effectuate the  
 27 general purposes of this act and the following specific objectives:  
 28 the expansion of the supply of funds in the State available for  
 29 housing; the provision of the additional housing needed to remedy  
 30 the shortage of adequate housing in the State and eliminate the

31 existence of a large number of sub-standard dwellings; the pro-  
32 vision of nonhousing facilities which enhance the livability of resi-  
33 dential properties or areas being improved through financing by  
34 the agency and provide supplies and services primarily to the  
35 residents of such residential properties and areas; and the effective  
36 participation by institutional lenders in the programs authorized  
37 by this act and the restriction of the financial return and benefit  
38 thereto from such programs to that necessary and reasonable to  
39 induce such participation.

40 c. Loans to institutional lenders shall be general obligations of the  
41 respective institutional lenders owing the same and shall bear such  
42 date or dates, shall mature at such time or times, shall be evidenced  
43 by such note, bond or other certificate of indebtedness, shall be  
44 subject to prepayment, and shall contain such other provisions  
45 consistent with this section, all as the agency shall by resolution  
46 determine.

47 d. The agency shall require as a condition of each loan to an  
48 institutional lender that the institutional lender thereafter proceed  
49 as promptly as practicable to make and disburse from the loan  
50 proceeds, eligible loans in an aggregate principal amount equal to  
51 the amount of the loan.

52 e. The agency may require that loans to institutional lenders  
53 shall be additionally secured as to payment of both principal and  
54 interest by a pledge of and lien upon collateral security in such  
55 amounts as the agency shall by resolution determine to be necessary  
56 to assure the payment of the loans and the interest thereon as they  
57 become due. The agency may require that collateral mortgages be  
58 insured by a mortgage guaranty insurance company licensed to do  
59 business by the State. The agency may enter into an agreement with  
60 an institutional lender containing such provisions as the agency  
61 shall deem necessary to adequately identify and maintain such  
62 collateral and service the same and shall provide that the institu-  
63 tional lender shall hold the collateral as an agent for the agency  
64 and shall be held accountable as the trustee of an express trust for  
65 the application and disposition thereof and the income therefrom  
66 solely to the uses and purposes in accordance with the provisions of  
67 the agreement. A copy of each agreement and any revisions or  
68 supplements thereto shall be filed with the Secretary of State and  
69 no further filing or other action under Title 12A, Commercial Trans-  
70 actions, of the New Jersey Statutes or any other law of the State  
71 shall be required to perfect the security interest of the agency in  
72 the collateral or any additions thereto or substitutions therefor,  
73 and the lien and trust for the benefit of the agency so created shall



74 be binding from the time made against all parties having claims of  
75 any kind in tort, contract, or otherwise against the institutional  
76 lender. The agency may also establish additional requirements as  
77 it deems necessary with respect to the pledging, assigning, setting  
78 aside, or holding of the collateral and the making of substitutions  
79 therefor or additions thereto and the disposition of income and  
80 receipts therefrom.

81 f. The agency shall require the submission to it by each institu-  
82 tional lender to which the agency has made a loan of evidence  
83 satisfactory to the agency of the making of eligible loans as re-  
84 quired by this section and prescribed by rules and regulations of  
85 the agency and in connection therewith may inspect the books and  
86 records of the institutional lender.

87 g. The agency may require as a condition of any loans to insti-  
88 tional lenders such representations and warranties as it shall  
89 determine to be necessary to secure the loans and carry out the  
90 purposes of this act.

91 h. Compliance by any institutional lender with the terms of this  
92 section and its undertaking to the agency with respect to the making  
93 of eligible loans may be enforced by decree of the Superior Court.  
94 The agency may require as a condition of any loan to any institu-  
95 tional lender the consent of the institutional lender to the juris-  
96 diction of the Superior Court over any such proceeding. The agency  
97 may also require agreement by any institutional lender, as a condi-  
98 tion of the loan to the institutional lender, to the payment of  
99 penalties to the agency for violation by the institutional lender of  
100 any provision of this section or its undertaking to the agency with  
101 respect to the making of eligible loans, and these penalties shall be  
102 recoverable at the suit of the agency.

1 12. a. The agency in order to encourage the development, opera-  
2 tion, construction, improvement, and rehabilitation of an adequate  
3 supply of affordable housing, shall have the power:

4 (1) to make and to purchase or participate in the purchase,  
5 and to contract to purchase or participate in the purchase, of  
6 eligible loans and to enter into advance commitments for the  
7 making of or the purchase, or for participation in the pur-  
8 chase, of eligible loans, at the prices and upon the terms and  
9 conditions determined by the agency;

10 (2) to sell eligible loans acquired by the agency at public  
11 or private sale and at the price or prices and upon the terms  
12 and conditions *as may be* determined by the agency;

13 (3) to enter into arrangements or agreements with loan  
14 originators, which may be a part of any contract with the loan

15 originators for the purchase or participation in the purchase  
16 of eligible loans, containing provisions determined by the  
17 agency to be necessary or appropriate to provide security for  
18 its bonds, including but not limited to provisions requiring the  
19 repurchase of eligible loans or participations therein by the  
20 loan originators at the option of the agency, payments of such  
21 premiums, fees, charges or other amounts by loan originators  
22 to provide a reserve or escrow fund for the purposes, among  
23 others, of protecting against defaults with respect to eligible  
24 loans, and provisions for the guarantee by, or for recourse  
25 against, loan originators with respect to defaults on eligible  
26 loans of the agency;

27 (4) to enter into contracts for the servicing and custody of  
28 eligible loans owned by the agency, which contracts may pro-  
29 vide for the payment of the reasonable value of services ren-  
30 dered to the agency pursuant to the contracts;

31 (5) to renegotiate or refinance any eligible loan, or foreclose,  
32 or contract for the foreclosure of, any mortgage securing any  
33 eligible loan in default; to waive any default or consent to the  
34 modification of the terms of any mortgage; to commence any  
35 action to protect or enforce any right conferred upon by any  
36 law, mortgage, insurance policy, contract or other agreement,  
37 and to bid for and to purchase the property securing any eligi-  
38 ble loan at any foreclosure or at any other sale, or acquire or  
39 take possession of any such property; to operate, manage,  
40 lease, dispose of, and otherwise deal with such property; all  
41 in the manner as may be necessary to protect the interest of  
42 the agency and the holders of its bonds;

43 (6) to procure insurance against any default with respect  
44 to eligible loans in such amounts and from such insurers as  
45 may be necessary or desirable;

46 (7) to establish, revise from time to time, charge and collect  
47 such premiums, fees or other charges in connection with the  
48 making or purchase of eligible loans, as the agency determines  
49 and to apply those premiums, fees or charges to the purposes  
50 or deposit them in funds or reserves, as the agency determines;  
51 and

52 (8) to provide subsidies or other reductions of interest rates  
53 with respect to eligible loans in order to encourage the avail-  
54 ability of affordable housing or housing for *\*persons and*  
55 *families of\** low and moderate income **\*[families]\***.

56 b. An eligible loan for a housing project made by the agency or  
57 purchased by the agency less than one year after construction of

58 the project was commenced shall be subject to all the provisions  
59 of this act applicable to agency loans to housing sponsors for  
60 housing projects.

61 c. The agency shall from time to time adopt rules and regula-  
62 tions governing the making or purchase of eligible loans, including,  
63 without limitation, rules and regulations as to any of the following:

64 (1) procedures for the purchase of eligible loans by the  
65 agency, whether by auction, invitation of tenders, or negotia-  
66 tion;

67 (2) standards and requirements as to allocations of pur-  
68 chases of eligible loans among *\*all or certain of the\** loan  
69 originators or among particular areas of the State;

70 (3) limitations or restrictions as to the number of family  
71 units, income levels for owners or occupants, or location or  
72 other qualifications or characteristics of residences to be fi-  
73 nanced by the eligible loans to be made by the agency or by  
74 loan originators;

75 (4) restrictions as to the maturities and interest rates on  
76 eligible loans and on the return realized from the origination  
77 and sale of eligible loans to the agency by loan originators;

78 (5) standards and requirements for eligible loans which are  
79 not secured by a mortgage; and

80 (6) any other matters related to the duties and the exercise  
81 of the powers of the agency in connection with the purchase  
82 of eligible loans under this act.

83 d. These rules and regulations and the terms and conditions for  
84 the making or purchase of eligible loans shall effectuate the general  
85 purposes of the act and the following specific objectives: (1) the  
86 expansion of the supply of funds in the State available for eligible  
87 loans, (2) the provision of the additional housing needed to remedy  
88 the shortage of adequate housing in the State and to eliminate the  
89 existence of a large number of substandard dwellings and (3) the  
90 provision of nonhousing facilities which enhance the livability of  
91 residential properties or areas being improved through financing  
92 by the agency and provide supplies and services primarily to the  
93 residents of those residential properties and areas.

94 e. The agency shall require as a condition of each purchase of  
95 eligible loans from a loan originator that the loan originator pro-  
96 ceed as promptly as practicable to make and disburse from the  
97 proceeds thereof eligible loans in an aggregate principal amount  
98 equal, as nearly as practicable, to the amount of the proceeds from  
99 the purchase by the agency of eligible loans therefrom, but these  
100 requirements shall not apply if the eligible loans so purchased were

101 originated pursuant to a commitment or other arrangement with  
102 the agency.

103 f. The agency shall require the submission to it by each loan  
104 originator from which the agency has purchased eligible loans evi-  
105 dence satisfactory to the agency of the making of eligible loans  
106 or the application of the proceeds from the purchase of eligible  
107 loans in accordance with commitments with the agency for the  
108 origination of eligible loans by the loan originator, as may be  
109 appropriate and in connection therewith may, through its employees  
110 or agents, inspect the books and records of the loan originator.

111 g. The agency may require as a condition of any purchase of  
112 eligible loans from loan originators representations and warranties  
113 it determines to be necessary in connection with that purchase and  
114 to carry out the purposes of this act.

115 h. Compliance by any loan originator with the terms of its agree-  
116 ment with or undertaking to the agency with respect to the making  
117 of any eligible loans may be enforced by decree of the Superior  
118 Court. The agency may require as a condition of purchase of eligi-  
119 ble loans from any loan originator the consent of the loan origi-  
120 nator to the jurisdiction of the Superior Court of any such pro-  
121 ceeding. The agency may, also require agreement by any loan  
122 originator, as a condition of the agency's purchase of eligible loans  
123 from the loan originator, to the payment of penalties to the agency  
124 for violation by the loan originator of its undertakings to the  
125 agency, and these penalties shall be recoverable at the suit of the  
126 agency.

127 i. Whenever any eligible loan purchased by the agency is to be  
128 held or serviced by a person other than the agency, a statement  
129 designating the eligible loan being so held or serviced and the per-  
130 son so holding or servicing the eligible loan and setting forth the  
131 agency's interest in the eligible loan may be filed in the records of  
132 the agency, which loan records shall be available for public in-  
133 spection during regular business hours of the agency, and no  
134 possession, further filing, or other action under Title 12A, Com-  
135 mercial Transactions, of the New Jersey Statutes or any other law  
136 of the State shall be required to perfect any security interest which  
137 may be deemed to have been created in favor of the agency. The  
138 servicer shall, in any case, be and be deemed to be the trustee of  
139 an express trust for the benefit of the agency in all matters re-  
140 lating to any such eligible loan.

141 j. Notwithstanding the provisions of section 213.1 of P. L. 1948,  
142 c. 67 (C. 17:9A-213.1) or any other provision of law to the con-  
143 trary, any loan originator may, in connection with the sale of eligi-

144 ble loans to the agency pursuant to this act, enter into arrange-  
145 ments or agreements with the agency as are authorized under and  
146 contemplated by this act, including, without limitation, provisions  
147 requiring the repurchase of eligible loans or participation therein  
148 by the loan originator at the option of the agency, provisions re-  
149 quiring the payment of premiums, fees or charges or other amounts  
150 by the loan originator to provide a reserve or escrow for the pur-  
151 poses, among others, of protecting against defaults with respect  
152 to eligible loans, and provisions for the guarantee by, or for re-  
153 course against, the loan originator with respect to defaults on  
154 eligible loans of the agency.

1 13. a. In order to encourage the construction, acquisition and  
2 rendering of life safety improvements at or to boarding houses,  
3 the agency is hereby authorized to finance by life safety improve-  
4 ment loans the construction, acquisition and rendering of life safety  
5 improvements at or to boarding houses.

6 b. To carry out the purposes of this section, the agency may  
7 accept from boarding house owners applications for life safety  
8 improvement loans and enter into agreements with boarding house  
9 owners with respect thereto. In considering applications for life  
10 safety improvement loans, the agency shall give consideration to:

11 (1) the degree of need for the life safety improvement at  
12 the boarding house with respect to which the application is  
13 made;

14 (2) factors affecting the tax-exempt status of interest on the  
15 bonds issued by the agency to raise the money necessary to  
16 make the life safety improvement loan, including the location  
17 and ownership of boarding houses with respect to which ap-  
18 plications have been and are being made;

19 (3) the extent of the benefit which, in the agency's opinion,  
20 can be expected to be achieved from the life safety improve-  
21 ment intended to be financed with the life safety improvement  
22 loan for which the application is made, giving effect to, among  
23 other things, the cost of such life safety improvements;

24 (4) the applicant's ability to obtain alternate financing; and

25 (5) the extent of the applicant's compliance with the "Room-  
26 ing and Boarding House Act of 1979," P. L. 1979, c. 496  
27 (C. 55:13B-1 et seq.). This determination shall be accomplished  
28 through an inspection of the boarding house by either the New  
29 Jersey Department of Community Affairs or the New Jersey  
30 Department of Health. Deficiencies which are to be corrected  
31 through life safety improvement loans are not to be used as  
32 a basis for disapproving a loan under this section.

33 c. Life safety improvement loans made by the agency shall not  
34 be subject to the terms and conditions set forth in sections 6 through  
35 10 of this act but shall be subject to the following terms and con-  
36 ditions:

37 (1) the amount of the loan shall not exceed 100% of the cost  
38 of the life safety improvement to be constructed, acquired or  
39 rendered, as determined by the agency.

40 (2) the interest rate on the loan shall be established by the  
41 agency at the lowest level consistent with the agency's cost of  
42 operation but not lower than the effective cost of the agency of  
43 the obligations of the agency sold to raise the money used to  
44 make the loan.

45 (3) the loan shall be evidenced by a promissory note which  
46 shall contain terms and provisions and be in a form approved  
47 by the agency, and the terms and provisions shall include, but  
48 not be limited to, agency requirements that: (a) the boarding  
49 house owner remit to the agency the entire unpaid balance of  
50 all life safety improvement loans made by the agency to the  
51 boarding house owner as of the time when the facility ceases  
52 to be a boarding house\*, *and the money shall be used for*  
52A *making new boarding house life safety improvement loans or*  
52B *any other lawful purpose*\*; (b) the boarding house owner remit  
53 to the agency, for payment to the Department of Community  
54 Affairs for deposit in the "Boarding House Rental Assistance  
55 Fund," established under section 14 of this act, an amount  
56 equal to the rental assistance payments made to or on behalf  
57 of the residents of a boarding house, pursuant to this section,  
58 prior to the point in time when the facility ceases to be a  
59 boarding house, but the inclusion of this second requirement  
60 in the promissory note and the remittance of that amount shall  
61 be required if and to the extent that the agency determines it  
62 to be feasible and practicable; and (c) in the event of any sale  
63 which occurs during the period when the life safety improve-  
64 ment loan is being repaid to a purchaser who will maintain  
65 the facility as a boarding house, the boarding house owner  
66 shall either remit the entire unpaid balance of all life safety  
67 improvement loans made by the agency to the boarding house  
68 owner or require the purchaser to assume the loan.

69 (4) as a condition of the loan, the agency shall have the  
70 power at all times during the construction, acquisition or  
71 rendering of a life safety improvement at or to a boarding  
72 house and for a reasonable period of time subsequent thereto  
73 to enter without prior notice the boarding house with respect

74 to which the loan is made in order to inspect the construction,  
75 acquisition or rendering of the life safety improvement being  
76 financed with the loan.

1 14. There is hereby established in the Department of Community  
2 Affairs a fund to be known as the "Boarding House Rental Assist-  
3 ance Fund." The fund shall be under the control of the Commis-  
4 sioner of the Department of Community Affairs. The fund shall  
5 be maintained by the Department of the Treasury and may be  
6 invested by the Division of Investment in the Department of the  
7 Treasury in investments in which other State funds may be in-  
8 vested. There shall be deposited in the fund all moneys appropri-  
9 ated thereto by the Legislature and any other moneys made avail-  
10 able for the purposes for which the fund is established. The fund  
11 is established for the purposes of *\*(i)\** providing rental assistance  
12 to residents of boarding houses in need of assistance to meet the  
13 rental payments at the boarding houses in which they reside neces-  
14 sitated by the construction, acquisition or rendering of life safety  
15 improvements at or to the boarding houses with the proceeds of the  
16 life safety improvement loans made by the agency, **\*[to provide]\***  
17 *\*(ii) providing\** a source of repayment for such life safety im-  
18 provement loans and, *\*(iii)\** subject to the approval of the trea-  
19 surer, **\*[to pay]\*** *\*paying\** the cost to the Department of Com-  
20 munity Affairs of discharging its obligations under sections 13  
21 through 17 of this act. If needed to meet on a timely basis that  
21A part of the rental obligations of residents of boarding houses  
22 attributable to debt service (including fees and charges payable  
23 to the agency) on life safety improvement loans made by the agency  
24 to finance the construction, acquisition or rendering of life safety  
25 improvements at said boarding houses, the commissioner shall dis-  
26 burse from the fund to or on behalf of the residents of the boarding  
27 houses the amount of money which, together with amounts already  
28 disbursed and to be disbursed, will be sufficient to meet on a timely  
29 basis that part of the rental obligations of the residents of the  
30 boarding houses. *\*If for any reason rental assistance payments  
31 made on behalf of residents are not sufficient to meet the debt ser-  
32 vice payments on the life safety improvement loans, then the com-  
33 missioner shall disburse from the fund such amounts as are neces-  
34 sary to meet the debt service payments; or, upon the request of the  
35 agency, the commissioner shall disburse such amounts as are neces-  
36 sary to fully pay the life safety improvement loan and all related  
37 costs.\**

1 15. In furtherance of the purposes of sections 13 through 17 of  
2 this act, the Commissioner of the Department of Community Af-

3 fairs is authorized to enter into rental assistance agreements with  
4 boarding house owners providing for the payment of rental assist-  
5 ance to or on behalf of the residents of the boarding houses in  
6 respect of that part of their rent that is attributable to debt service  
7 on life safety improvement loans, as determined by the agency.  
8 Rental assistance agreements may permit or require the commis-  
9 sioner to make *\*(i)\** rental assistance payments on behalf of board-  
10 ing house residents directly to the agency or **\*[upon its order]\***  
11 *\*(ii) direct payments to the agency\** in satisfaction of the boarding  
12 house owners' payment obligations on life safety improvement  
13 loans. As a condition to the payment of rental assistance, rental  
14 assistance agreements shall require that the boarding house owner  
15 remit to the commissioner for return to the **\*[fund in the Depart-**  
16 **ment of the Treasury from which the appropriation for the rental**  
17 **assistance payment was originally made an]\*** *\*Boarding House*  
18 *Rental Assistance Fund an\** amount equal to any rental assistance  
19 payment made by the commissioner to or on behalf of a resident  
20 of the boarding house who, were such resident a family as defined  
21 in subsection f. of section 3 of this act, would not have constituted  
22 a family qualified for admission to housing projects under section  
23 8 of this act, at any time during the period covered by the rental  
24 assistance payment but the agency may establish a lower income  
25 standard for residents of boarding houses which would require  
26 remittance to the commissioner by the owners of boarding houses  
27 of rental assistance payments formerly made by the commissioner  
28 to or on behalf of residents with incomes above that income  
29 standard.

1 16. On or before December 1 of each year, the Commissioner of  
2 the Department of Community Affairs shall submit to the Governor  
3 and the State Treasurer a Boarding House Rental Assistance Fund  
4 Annual Report which shall include the following: *\*(i)\** a summary  
5 of the activities and transactions of the Boarding House Rental As-  
6 sistance Fund during the preceding fiscal year; *\*(ii)\** an estimate of  
7 the amount of rental charges which will be made during the ensuing  
8 12 months by the residents of boarding houses on account of the  
9 debt service (including fees and charges payable to the agency)  
10 on life safety improvement loans made by the agency to finance  
11 the construction, acquisition or rendering of life safety improve-  
12 ments at or to the boarding houses, together with a brief descrip-  
13 tion of each of the boarding houses, life safety improvement loans  
14 and life safety improvements and a summary of various charac-  
15 teristics of the residents of the boarding houses, including their  
16 ages, disabilities, if any, and income levels; *\*(iii)\** a statement as to



17 the maximum amount of debt service payable in any one year on all  
18 outstanding obligations of the agency issued with respect to life  
19 safety improvement loans; and *\*(iv)\** an estimate of, and request  
20 for, the amount of money in addition to the then current balance of  
21 the Boarding House Rental Assistance Fund which will be needed  
22 in the ensuing fiscal year to meet the disbursements from the fund  
23 which the commissioner anticipates will be made in furtherance  
24 of the purposes of the fund and in satisfaction of the commissioner's  
25 obligations under rental assistance agreements.

1 17. a. To assure that there exists sufficient money in the Board-  
2 ing House Rental Assistance Fund so as to permit the fund to be  
3 fully employed in furtherance of its purposes and to enable the  
4 Commissioner of the Department of Community Affairs to fulfill  
5 his commitments under rental assistance agreements, there shall  
6 be appropriated in each fiscal year and paid to the Department of  
7 Community Affairs for deposit in the Boarding House Rental  
8 Assistance Fund (1) from the Casino Revenue Fund, the amount  
9 of money requested for that fiscal year by the commissioner in  
10 the applicable Boarding House Rental Assistance Fund Annual  
11 Report, as amended by the commissioner from time to time, for the  
12 benefit of boarding house residents who are either senior citizens  
13 or disabled residents of the State within the meaning of regulations  
14 promulgated by the commissioner; and (2) from the General  
15 Fund *\*of the State of New Jersey\**, the amount of money requested  
16 for that fiscal year by the commissioner in the applicable Boarding  
17 House Assistance Fund Annual Report, as amended by the com-  
18 missioner from time to time, for the benefit of boarding house  
19 residents who are neither senior citizens nor disabled residents of  
20 the State within the meaning of regulations promulgated by the  
20A commissioner *\*either as rental assistance payments or direct debt*  
20B *service on loans\**.

21 b. After receipt of each Boarding House Rental Assistance Fund  
22 Annual Report, the State Treasurer shall determine whether or not  
23 during the preceding fiscal year rental assistance payments were  
24 made with funds appropriated from the Casino Revenue Fund to  
25 or on behalf of residents of boarding houses who, were they  
26 families as defined in subsection f. of section 3 of this act, would  
27 have constituted families qualified for admission to housing projects  
28 under section 8 of this act during such fiscal year, but who were not  
29 either senior citizens or disabled residents of the State within the  
30 meaning of regulations promulgated by the commissioner. Upon  
31 making a determination that funds were appropriated from the  
32 Casino Revenue Fund to or on behalf of one or more of such

33 residents, the Treasurer shall request and the State shall appro-  
34 priate from the General Fund to the Casino Revenue Fund an  
35 amount of money equal to payments so made from funds appro-  
36 priated from the Casino Revenue Fund; but neither the request  
37 nor the appropriation shall be required if, or to the extent that,  
38 the amount of payments is reimbursed from any other available  
39 source, which may be, but shall not be limited to, a payment from  
40 unencumbered funds of the agency, as authorized by the agency.

41 c. If the Commissioner of the Department of Community Affairs  
42 is for any reason unable to make rental assistance payments on one  
43 or more rental assistance agreements, the agency may, but shall be  
44 under no obligation to, authorize payments from its unencumbered  
45 reserves. If no such authorization is made, *\*or if the agency's pay-*  
46 *ment is only intended to be a temporary source of funding in order*  
47 *to satisfy payments due on bonds issued to finance life safety im-*  
48 *provement loans,\** or the amount authorized is insufficient to make  
49 full payments under the agreements, there shall be appropriated  
50 from the General Fund in each fiscal year and paid to the Depart-  
51 ment of Community Affairs, for disbursement to the agency, suf-  
52 ficient funds to make full payments. The commissioner shall an-  
53 nually report to the Governor and the Treasurer detailing the need  
54 for the appropriations.

1 \*18. a. *In order to carry out the purposes and provisions of this*  
2 *act, the agency, in addition to any powers granted to it elsewhere*  
3 *in this act, shall have the authority to form, purchase or assume*  
4 *control of one or more subsidiary corporations, in the manner and*  
5 *for the purposes set forth in this section.*

6 b. *The agency may form a subsidiary corporation by filing*  
7 *with the Secretary of State a certificate of incorporation, which*  
8 *may be amended from time to time and which shall set forth the*  
9 *name of the subsidiary corporation, its duration, the location of its*  
10 *principal office, the joint owners thereof, and the purposes of the*  
11 *corporation.*

12 c. *The directors of the subsidiary corporation shall be members*  
13 *or employees of the agency, who shall constitute at least a majority,*  
14 *and such other persons representing any joint owner or owners as*  
15 *may be provided for in the agreement in connection with the in-*  
16 *corporation.*

17 d. *The subsidiary corporation shall have all the powers vested*  
18 *in the agency which the agency may delegate to it by terms of the*  
19 *agreement of incorporation, except that it shall not have power*  
20 *to contract indebtedness independently of the agency. The sub-*

21 subsidiary corporation and any of its properties, functions and activi-  
22 ties shall have all the privileges, immunities, tax exemptions and  
23 other exemptions as the agency's property, functions and activities.  
24 The subsidiary corporation shall also be subject to the restrictions  
25 and limitations to which the agency is subject. The subsidiary corpo-  
26 ration shall be subject to suit as if it were the agency itself.

27 e. Whenever the State or any municipality, commission, public  
28 authority, agency, officer, department, board, or division is au-  
29 thorized and empowered for any purposes of this act to cooperate  
30 and enter into agreements with the agency or to grant any consent  
31 to the agency or to grant, convey, lease or otherwise transfer any  
32 property to the agency or to execute any document, the State or  
33 such municipality, commission, public authority, agency, officer,  
34 department, board, or division shall have the same authorization  
35 and power for any of such purposes to cooperate and enter into  
36 agreements with the subsidiary corporation and to grant consents  
37 to the subsidiary corporation and to grant, convey, lease or other-  
38 wise transfer property to the subsidiary corporation and to execute  
39 documents for the subsidiary corporation.

40 f. Among the powers that shall be granted to a subsidiary corpo-  
41 ration established by agency, or which may be exercised by the  
42 agency itself, are:

43 (1) To act as receiver or interim owner of rental properties and  
44 in connection therewith to provide tenant education and training,  
45 with the goal of achieving cooperative or other private forms of  
46 resident ownership.

47 (2) To act as a housing service corporation to operate or com-  
48 plete the construction of agency-financed properties.

49 (3) To undertake acquisition, construction, rehabilitation and  
50 operation of housing and related activities on a demonstration or  
51 experimental basis.

52 (4) To participate as a coowner or coventurer in any activity  
53 financed by an eligible loan from the agency.

54 g. The agency shall not later than January 1, 1984 establish at  
55 least one subsidiary corporation pursuant to this section, unless  
56 the agency shall, by resolution setting forth the reasons for its  
57 decision, determine that such establishment would be inexpedient;  
58 which resolution shall be forthwith communicated to the Governor  
59 and the Legislature.

1 19. a. In order to carry out the purposes and provisions of this  
2 act, there is hereby chartered in, but not of, the agency the New  
3 Jersey Housing Development Corporation, which shall be a general

4 *stock ownership corporation within the meaning of Subchapter U.*  
5 *of the U. S. Internal Revenue Code.*

6 *b. The corporation shall be organized, managed and operated as*  
7 *an entity distinct from the agency, except that members and em-*  
8 *ployees of the agency may be officers and directors of the corpora-*  
9 *tion; but it shall be empowered to act as agent of the agency under*  
10 *contractual agreements relating to matters set forth in subsection*  
11 *c. of this section.*

12 *c. The corporation may issue its stock and employ the proceeds*  
13 *of such sales:*

14 *(1) To purchase residential structures in need of rehabilitation*  
15 *and rehabilitate them for purposes of resale, including resale under*  
16 *lease-purchase agreements.*

17 *(2) To contract for the construction of new residential struc-*  
18 *tures and to assume ownership of the same for the purposes of*  
19 *resale, including lease-purchase agreements.*

20 *(3) To coventure with other public or private agencies or corpo-*  
21 *rations as an investor in major rehabilitation or construction proj-*  
22 *ects of the types described in paragraphs (1) and (2) of this sub-*  
23 *section.*

24 *d. The agency is directed to complete the organization of the*  
25 *corporation before January 1, 1984, unless the members of the*  
26 *agency vote not to so organize and so advise the Governor and the*  
27 *Legislature.\**

1 *\*[18.]\* \*20.\* a. The agency shall have the power and is hereby*  
2 *authorized from time to time to issue its bonds in such principal*  
3 *amounts as in the opinion of the agency shall be necessary to pro-*  
4 *vide sufficient funds for achieving any of its corporate purposes,*  
5 *including the making or purchase of eligible loans, the making of*  
6 *loans to institutional lenders, the payment, funding or refunding of*  
7 *the principal of, or interest or redemption premiums on, any bonds*  
8 *issued by it, whether the bonds or interest to be funded or refunded*  
9 *have or have not become due, the establishment or increase of re-*  
10 *serves to secure or to pay such bonds or interest thereon or to pro-*  
11 *vide, insure or otherwise protect against defaults on or prepayment*  
12 *of eligible loans, and all other costs or expenses of the agency inci-*  
13 *dent to and necessary or convenient to carry out its corporate pur-*  
14 *poses and powers; but the agency's power to issue its bonds in order*  
15 *(1) to make life safety improvement loans, (2) to fund reserves*  
16 *for these bonds (excluding therefrom for purposes of this calcula-*  
17 *tion such bonds that have been refunded), and (3) to refund bonds*  
18 *originally issued to make life safety improvement loans and to fund*  
19 *reserves for these bonds is limited to the extent that the amount of*

20 debt service payable in any one year on all these bonds then  
21 outstanding may not exceed \$4,000,000.00.

22 b. Except as may be otherwise expressly provided herein or by  
23 the agency, every issue of bonds shall be general obligations  
24 payable out of any moneys or revenues of the agency, subject only  
25 to any agreements with the holders of particular bonds pledging  
26 any particular moneys or revenues. The agency may issue such  
27 types of bonds as it may determine, including but not limited to  
28 bonds on which the principal and interest are payable (1) exclu-  
29 sively from the income and revenues of certain designated projects  
30 whether or not they are financed in whole or in part with the  
31 proceeds of such bonds; (2) exclusively from the revenues of the  
32 agency derived from certain loans made to institutional lenders or  
33 derived from certain eligible loans made or purchased by the  
34 agency whether or not such loans were made or such eligible loans  
35 were purchased in whole or in part from the proceeds of such bonds;  
36 or (3) from its revenues generally. Bonds may be additionally  
37 secured by a pledge of any grant or contribution from any depart-  
38 ment, agency or instrumentality of the United States or of the  
39 State or from any person, firm or corporation or a pledge of any  
40 moneys, income or revenues of the agency from any source what-  
41 soever.

42 c. Any provision of any law to the contrary notwithstanding, any  
43 bonds issued pursuant to this act shall be fully negotiable within  
44 the meaning and for all purposes of Title 12A of the New Jersey  
45 Statutes, and each holder or owner of such a bond, or of any coupon  
46 appurtenant thereto, by accepting the bond or coupon shall be  
47 conclusively deemed to have agreed that the bond or coupon is and  
48 shall be fully negotiable within the meaning and for all purposes  
49 of Title 12A of the New Jersey Statutes.

50 d. Bonds of the agency shall be authorized by or in accordance  
51 with a resolution of the agency and may be issued in one or more  
52 series and shall bear such date or dates, mature at such time or  
53 times not exceeding 50 years from the date thereof, bear interest  
54 at such rate or rates or bear interest at such variable or formula  
55 rate or rates not to exceed such maximum rate or rates, be in such  
56 denomination or denominations, be in such form, either coupon or  
57 registered, carry such conversion or registration privileges, have  
58 such rank or priority, be executed in such manner, be payable from  
59 such sources in such medium of payment at such place or places  
60 within or without the State, and be subject to such terms of redemp-  
61 tion (with or without premium) as such resolution or resolutions  
62 may provide.

63 e. Bonds of the agency may be sold at public or private sale at  
64 the price or prices as the agency determines.

65 f. Bonds may be issued under the provisions of this act without  
66 obtaining the consent of any department, division, commission,  
67 board, bureau or agency of the State, and without any other pro-  
68 ceeding or the happening of any other conditions or other things  
69 than those proceedings, conditions or things which are specifically  
70 required by this act.

71 g. Bonds of the agency issued under the provisions of this act  
72 shall not be in any way a debt or liability of the State or of any  
73 political subdivision thereof other than the agency and shall not  
74 create or constitute any indebtedness, liability or obligation of the  
75 State or of any such political subdivision or be or constitute a  
76 pledge of the faith and credit of the State or of any such political  
77 subdivision but all such bonds, unless funded or refunded by bonds,  
78 shall be payable solely from revenues or funds pledged or available  
79 for their payment as authorized in this act. Each bond shall  
80 contain on its face a statement to the effect that the agency is  
81 obligated to pay the principal thereof or the interest thereon only  
82 from revenues or funds of the agency and that neither the State  
83 nor any political subdivision thereof is obligated to pay such  
84 principal or interest and that neither the faith and credit nor the  
85 taxing power of the State or any political subdivision thereof is  
86 pledged to the payment of the principal of or the interest on such  
87 bonds.

88 h. All expenses incurred in carrying out the provisions of this  
89 act shall be payable solely from revenues or funds provided or to  
90 be provided under the provisions of this act and nothing in this act  
91 shall be construed to authorize the agency to incur any indebted-  
92 ness or liability on behalf of or payable by the State or any  
93 political subdivision thereof.

1 \***[19.]** \*21.\* Any resolution or resolutions of the agency autho-  
2 rizing the issuance of bonds may contain provisions, except as ex-  
3 pressly limited in this act and except as otherwise limited by exist-  
4 ing agreements with the holders of the bonds, which shall be a part  
5 of the contract with the holders thereof, as to the following:

6 a. The pledging of or creating of a lien on, as security for the  
7 payment of the principal and redemption price of and interest  
8 on any bonds of the agency, all or any part of its revenues or assets  
9 to which its right then exists or may thereafter come into existence,  
10 and the moneys derived therefrom\*,\* including the eligible loans  
11 made or purchased by the agency pursuant to this act and the  
12 revenues therefrom, the loans made to institutional lenders pur-

13 suant to this act and the revenues therefrom and the rights and  
14 interests of the agency in and to any collateral securing such loans  
15 and the collections and proceeds therefrom, the eligible loans pur-  
16 chased by the agency pursuant to this act and all payments on  
17 account of principal and interest with respect thereto, and all  
18 other premiums, fees and charges payable to the agency, all or any  
19 part of any money, funds or property held in trust or otherwise by  
20 others for the payment of any such mortgages, such loans to insti-  
21 tutional lenders or such eligible loans, or any bonds of the agency,  
22 and all or any part of the proceeds of any bonds, and covenanting  
23 against pledging all or any part of such revenues, assets, moneys,  
24 funds or property, or against permitting or suffering any lien  
25 thereon;

26 b. Otherwise providing for the custody, collection, securing,  
27 investment and payment of any revenues, assets, moneys, funds or  
28 property of the agency or with respect to which the agency may  
29 have any rights or interest;

30 c. The use and disposition of any and all payments of principal or  
31 interest received by the agency with respect to loans to institu-  
32 tional lenders or eligible loans or any income or proceeds from  
33 \***[investment]**\* *investments*\* held by the agency or other income,  
34 revenues or receipts of the agency;

35 d. The establishment of reserves or sinking funds, the making of  
36 charges and fees to provide for the same, and the regulation and  
37 disposition thereof;

38 e. The custody, application and disposition of the proceeds of  
39 any bonds;

40 f. The rank or priority of any such bonds with respect to any  
41 lien or security or as to the acceleration of the maturity of any  
42 such bonds;

43 g. The creation of special funds or moneys to be held in trust or  
44 otherwise for operating expenses, payment or redemption of bonds,  
45 reserves against defaults or prepayments of eligible loans or loans  
46 to institutional lenders or for other purposes and as to the use and  
47 disposition of the moneys held in such funds;

48 h. Limitations on the purpose to which the proceeds of sale of  
49 bonds may be applied and pledging such proceeds to secure the  
50 payment of the bonds;

51 i. Limitations on the issuance of additional bonds; the terms  
52 upon which additional bonds may be issued and secured; the re-  
53 funding or purchase of outstanding bonds of the agency;

54 j. The procedure, if any, by which the terms of any contract with  
55 the holders of any bonds of the agency may be amended or abro-

56 gated, the amount of bonds the holders of which must consent  
57 thereto, and the manner in which such consent may be given;

58 k. The vesting in a trustee or trustees within or without the State  
59 of such property, rights, powers and duties in trust as the agency  
60 may determine, which may include any or all of the rights, powers  
61 and duties of any trustee appointed by the holders of any bonds  
62 pursuant to section 20 of this act and limiting or abrogating the  
63 right of the holders of any bonds of the agency to appoint a trustee  
64 under this act or limiting the rights, powers and duties of such  
65 trustee;

66 l. Appointing and providing for the duties and obligations of a  
67 paying agent or paying agents or such other fiduciaries within or  
68 without the State;

69 m. Provision for a trust agreement by and between the agency  
70 and a corporate trustee which may be any trust company or bank  
71 having the powers of a trust company within the State, which  
72 agreement may provide for the pledging or assigning of any assets  
73 or income from assets to which or in which the agency has any  
74 rights or interest, and may further provide for such other rights  
75 and remedies exercisable by the trustee as may be proper for the  
76 protection of the holders of any bonds of the agency and not  
77 otherwise in violation of law, and the agreement may provide for  
78 the restriction of the rights of any individual holder of bonds of  
79 the agency. All expenses incurred in carrying out the provisions of  
80 the trust agreement may be treated as a part of the costs of opera-  
81 tion of the agency. The trust agreement may contain any further  
82 provisions which are reasonable to delineate further the respective  
83 rights, duties, safeguards, responsibilities and liabilities of the  
84 agency, individual and collective holders of bonds of the agency,  
85 and the trustee;

86 n. The custody of any of its properties or investments, the safe-  
87 keeping thereof, the insurance to be carried thereon, and the use  
88 and disposition of insurance moneys;

89 o. The time or manner of enforcement or restraint from enforce-  
90 ment of any rights of the agency arising by reason of or with  
91 respect to nonpayment of principal or interest with respect to  
92 mortgages or loans to institutional lenders or any rights to or  
93 security interest in the collateral securing such loans or arising  
94 with respect to the default with respect to any eligible loan;

95 p. Defining the acts or omissions to act which shall constitute a  
96 default in the obligations and duties of the agency and providing  
97 for the rights and remedies of the holders of bonds in the event of  
98 such default;



99 q. Covenants to do or refrain from doing such acts and things  
100 as may be necessary or convenient or desirable to better secure  
101 any bonds of the agency, or which, in the discretion of the agency,  
102 will tend to make any bonds to be issued more marketable notwith-  
103 standing that such covenants, act or things may not be enumerated  
104 herein; and

105 r. Any other matters of the like or different character, which in  
106 any way affect the security or protection of the bonds issued by the  
107 agency.

1 \*~~[20.]~~\* \*22.\* a. If the agency defaults in the payment of principal  
2 of or interest on any issue of bonds after the same becomes due,  
3 whether at maturity or upon call for redemption, and the default  
4 continues for a period of 30 days, or if the agency fails or refuses to  
5 comply with the provisions of this act or fails or refuses to carry  
6 out and perform the terms of any contract with the holders of bonds  
7 and the failure or refusal continues for a period of 30 days after  
8 written notice to the agency of its existence and nature, the holders  
9 of 25% in aggregate principal amount of such issue of bonds then  
10 outstanding by instrument or instruments filed in the office of the  
11 Secretary of State and proved or acknowledged in the same manner  
12 as a deed to be recorded, may appoint a trustee to represent the  
13 holders of those bonds for the purposes provided in this section.

14 b. The trustee may, and upon written request of the holders of  
15 25% in aggregate principal amount of such bonds then outstanding  
16 shall, in the trustee's own name:

17 (1) by any action, writ, or other proceeding, enforce all  
18 rights of the holders of such bonds, including the right to  
19 collect and enforce the payment of principal of and interest  
20 due or becoming due on eligible loans and loans to institutional  
21 lenders and collect and enforce any collateral securing such  
22 loans or sell such collateral and the right to cause the fore-  
23 closure of any eligible mortgage loan, and to sell any property  
24 purchased at any such foreclosure, so as to carry out any  
25 contract as to, or pledge of, revenues, and to require the agency  
26 to carry out and perform the terms of any contract with the  
27 holders of such bonds or its duties under this act;

28 (2) bring suit upon all or any part of such bonds;

29 (3) by action, require the agency to account as if it were the  
30 trustee of an express trust for the holders of such bonds;

31 (4) by action, enjoin any acts or things which may be un-  
32 lawful or in violation of the rights of the holders of such bonds;

33 or

34 (5) declare all such bonds due and payable, whether or not in

35 advance of maturity, upon 30 days' prior notice in writing to  
 36 the agency, and, if all defaults shall be made good, then with  
 37 the consent of the holders of 25% of the principal amount of  
 38 such bonds then outstanding, annul such declaration and its  
 39 consequences.

40 c. The trustee shall, in addition to the foregoing, have and  
 41 possess all of the powers necessary or appropriate for the exercise  
 42 of the functions specifically set forth herein or incident to the  
 43 general representation of the holders of bonds in the enforcement  
 44 and protection of their rights.

45 d. In any action or proceeding by such trustee, the fees, counsel  
 46 fees and expenses of the trustee, if any, appointed pursuant to this  
 47 act, shall constitute taxable costs and disbursements, and all costs  
 48 and disbursements, allowed by the court, shall be a first charge  
 49 upon any revenues, moneys, funds or property of the agency  
 50 pledged for the payment or security of such issue of bonds.

1 \***[21.]**\* \*23.\* Any pledge made by the agency of income, revenues  
 2 or other property shall be valid and binding from the time the  
 3 pledge is made. The income, revenue or other property so pledged  
 4 by the agency shall immediately be subject to the lien of the pledge  
 5 without any physical delivery thereof or further act, and the lien of  
 6 any pledge shall be valid and binding as against all parties having  
 7 claims of any kind in tort, contract or otherwise against the agency,  
 8 irrespective of whether such parties have notice thereof. Neither  
 9 the resolution nor any other instrument by which a pledge is  
 10 created need be filed or recorded except in the records of the  
 11 agency.

1 \***[22.]**\* \*24.\* For purposes of subsection (g) of Section 103A of  
 2 the federal Internal Revenue Code of 1954, as amended, the State  
 3 ceiling on the aggregate amount of qualified mortgage bonds which  
 4 may be issued in the State shall be allocated 100% to the agency.

1 \***[23.]**\* \*25.\* At least \*\***[20%** of the funds made available for  
 2 loans to mortgage lenders pursuant to subsection (g) of Section  
 3 103A of the federal Internal Revenue Code of 1954, as amended,  
 4 shall be used for new residential mortgages]\*\* *\*\*25% of the funds*  
 5 *made available by the agency for the acquisition, operation, con-*  
 6 *struction, rehabilitation, conversion, improvement or ownership of*  
 7 *residential properties of from one to four, or from five to 12,*  
 8 *dwelling units shall be reserved for use\*\** in municipalities which  
 9 qualify for State aid under P. L. 1978, c. 14 (C. 52:27D-178 et seq.).  
 10 *\*\*The period of reservation shall be established by the agency at*  
 11 *its discretion, but shall not be less than four months. The period*  
 12 *may be extended at the agency's discretion, with or without adjust-*  
 13 *ing the amount of funds so reserved.\*\**

1     \***[24.]**\* \*26.\* The agency may consent, at or prior to the time of  
2 issuance of any issue of its bonds, to the inclusion of interest on  
3 such bonds in the gross income of holders of such bonds under the  
4 federal Internal Revenue Code of 1954, as amended, or any subse-  
5 quent federal law, to the same extent and in the same manner as the  
6 interest on bills, notes, bonds and other obligations of the United  
7 States is includible in the gross income of the holders thereof  
8 under the federal Internal Revenue Code of 1954, as amended, or  
9 any subsequent federal law. Nothing contained in this act shall be  
10 construed to waive or to authorize the agency to waive any other  
11 exemption, privilege or immunity of the State or to consent or to  
12 authorize the agency to consent to the application of any other  
13 provision of any other laws, federal or State, to the agency or to  
14 its bonds, which would not otherwise be so applicable.

1     \***[25.]**\* \*27.\* Neither the members of the agency nor any person  
2 executing bonds issued pursuant to this act shall be liable person-  
3 ally on such bonds by reason of the issuance thereof.

1     \***[26.]**\* \*28.\* The agency shall have power to purchase bonds of  
2 the agency out of any funds available therefor. The agency may  
3 hold, cancel or resell such bonds subject to and in accordance with  
4 agreements with holders of its bonds.

1     \***[27.]**\* \*29.\* a. The agency may create and establish one or more  
2 special funds to be known as housing finance funds and may pay into  
3 such housing finance funds any moneys appropriated and made  
4 available by the State for the purposes of such funds, any proceeds  
5 of the sale of the bonds to the extent provided in the resolution of  
6 the agency authorizing the issuance thereof, the moneys directed  
7 to be transferred by the agency to such funds, and any other  
8 moneys which may be made available to the agency for the pur-  
9 poses of such funds from any other source or sources. The moneys  
10 held in or credited to any housing finance fund established under  
11 this act, except as hereinafter provided, shall be used solely for  
12 the payment of the principal of and interest on bonds of the agency  
13 secured by such housing finance fund, as the same mature, required  
14 payments to any sinking fund established for the amortization  
15 of such bonds (hereinafter referred to as "sinking fund pay-  
16 ments"), the purchase or redemption of such bonds of the agency  
17 or the payment of any redemption premium to be paid when such  
18 bonds are redeemed prior to maturity; but moneys in any such  
19 fund shall not be withdrawn therefrom at any time in such amount  
20 as would reduce the amount of such fund to less than the amount  
21 of principal (including sinking fund payments) and interest matur-  
22 ing and becoming due in the succeeding calendar year on the bonds

23 of the agency then outstanding and secured by such housing finance  
24 fund (such amount being hereafter referred to as the "required  
25 minimum capital reserve"), except for the purpose of paying  
26 principal and interest on the bonds of the agency secured by such  
27 housing finance fund maturing and becoming due and sinking funds  
28 payments for the payment of which other moneys of the agency  
29 are not available. Any income or interest earned by, or increment  
30 to, any such housing finance fund due to the investment thereof  
31 may be transferred to any other fund or account of the agency to  
32 the extent it does not reduce the amount of such housing finance  
33 fund below the required minimum capital reserve. In computing  
34 the amount of any housing finance fund for the purposes of this  
35 section, securities in which all or a portion of such housing finance  
36 fund are invested shall be valued at par if purchased at par or,  
37 if purchased at other than par, at amortized cost.

38 b. The agency shall not issue bonds secured by a housing finance  
39 fund at any time if the maximum amount of principal (including  
40 sinking fund payments) and interest maturing and becoming due  
41 in the succeeding calendar year on the bonds outstanding then to  
42 be issued and secured by a housing finance fund will exceed the  
43 amount of such housing finance fund at the time of issuance, unless  
44 the agency, at the time of issuance of such bonds, shall deposit in  
45 such housing finance fund from the proceeds of the bonds or other  
46 obligations so to be issued, or otherwise, an amount which together  
47 with the amount then in such housing finance fund, will be not less  
48 than the required minimum capital reserve.

49 c. The Housing Finance Fund established under the agency's  
50 existing General Housing Bond Resolution shall continue as a  
51 housing finance fund pursuant to the provisions of subsection a.  
52 of this section.

53 d. To assure the maintenance of the required minimum capital  
54 reserve in the housing finance funds, there shall be annually ap-  
55 propriated and paid to the agency for deposit in each of such funds,  
56 such sum, if any, as shall be certified by the chairman of the agency  
57 to the Governor as necessary to restore each of such funds to an  
58 amount equal to the required minimum capital reserve. The chair-  
59 man shall annually, on or before December 1, make and deliver  
60 to the Governor his certificate stating the sum, if any, required to  
61 restore each of such funds to the amount aforesaid, and the sum  
62 or sums so certified shall be appropriated and paid to the agency  
63 during the then current State fiscal year.

1 \***[28.]**\* \*30.\* a. The agency shall establish and maintain a Hous-  
2 ing Development Fund which shall consist of all moneys appropri-

3 ated by the State for inclusion therein, notwithstanding any incon-  
4 sistent provisions of this or of any other law, any moneys which the  
5 agency shall receive in repayment of advances from the fund, and  
6 any other moneys available to the agency which it determines to  
7 utilize for this purpose.

8 b. The agency is hereby authorized to use the money held in the  
9 Housing Development Fund to make noninterest bearing advances  
10 to housing sponsors who are corporations or associations orga-  
11 nized not for profit or for mutual housing to defray development  
12 costs for housing projects. No such advance shall be made unless  
13 it is reasonably anticipated by the agency that an eligible mortgage  
14 loan will be obtained for the housing project and the not for profit  
15 or mutual housing sponsor enters into an agreement with the  
16 agency to be regulated with respect to those matters provided in  
17 paragraph (5) and (6) of subsection a. of section 7 of this act.

18 c. Each advance shall be repaid in full concurrent with the receipt  
19 by the not for profit or mutual housing sponsor of the proceeds  
20 of the eligible mortgage loan, unless the agency shall extend the  
21 period for the repayment of such advance, but no such extension  
22 shall be granted beyond the date of final payment under the eligible  
23 mortgage loan.

24 d. If the agency determines at any time that an eligible mortgage  
25 loan may not be obtained from the agency, the advance shall be-  
26 come immediately due and payable and shall be paid from any  
27 assets of the housing project. To the extent that repayment cannot  
28 be made from the assets of the housing project, the advance shall  
29 be treated as a grant.

30 e. The term "development cost", as used in this section, means  
31 the amount approved by the agency as an appropriate expenditure  
32 which may be incurred prior to the first advance on an eligible  
33 mortgage loan, including but not limited to (1) payments for  
34 options, deposits or contracts to purchase properties on the pro-  
35 posed housing project site or, with the prior approval of the agency,  
36 payments for the purchase of such properties; (2) legal and orga-  
37 nizational expenses, including attorney's fees and salaries, office  
38 rent and other incidental expenses for a project manager and  
39 clerical staff; (3) fees for preliminary feasibility studies, planning  
40 advances, borings, surveys, engineering and architectural work;  
41 (4) expenses for tenant surveys and market analyses; and (5) such  
42 other expenses as the agency may deem appropriate to effectuate  
43 the purpose of this section.

44 f. The term "eligible mortgage loan", as used in this section,  
45 means a below-market interest rate mortgage loan insured by the

46 Secretary of the Department of Housing and Urban Development,  
47 or a mortgage loan insured by the Secretary of the Department  
48 of Housing and Urban Development and augmented by a program  
49 of rent supplements, or an eligible loan made by the agency.

1 \*~~29.~~\* \*31.\* a. The agency shall establish and maintain a fund  
2 called the "General Fund" which shall consist of all moneys of the  
3 agency not required to be deposited in any other fund of the agency,  
4 which the agency may deposit therein. To the extent available,  
5 after paying all the operating costs of the agency, the moneys re-  
6 maining in the General Fund may be used for the payment of the  
7 principal of and interest on the bonds issued by the agency or for  
8 such other corporate purposes of the agency as this act authorizes.

9 b. The agency may establish such additional and further funds as  
10 may be necessary and desirable to accomplish any agency purpose  
11 or to comply with the provisions of any agreement made by the  
12 agency or any resolution approved by the agency. The resolution  
13 establishing such a fund shall specify the source of moneys from  
14 which it shall be funded and the purposes for which moneys held  
15 in the fund shall be disbursed.

1 \*~~30.~~\* \*32.\* The State of New Jersey does hereby pledge to and  
2 covenant and agree with the holders of any bonds issued pursuant  
3 to the authority of this act that the State will not limit, restrict or  
4 alter the rights or powers hereby vested in the agency to perform  
5 and fulfill the terms of any agreement made with the holders of such  
6 bonds, or in any way impair the rights or remedies of such holders  
7 until such bonds, together with interest thereon, with interest on  
8 any unpaid installments of interest, and all costs and expenses in  
9 connection with any action or proceedings by or in behalf of such  
10 holders, are fully met, paid and discharged. The agency may  
11 include this pledge and agreement of the State in any agreement  
12 with the holders of bonds issued by the agency.

1 \*~~31.~~\* \*33.\* Notwithstanding any restriction contained in any  
2 other law, all banks, trust companies, savings banks and institu-  
3 tions, building and loan associations, savings and loan associations,  
4 investment companies, and other persons carrying on a banking or  
5 investment business, all insurance companies, insurance associa-  
6 tions and other persons carrying on an insurance business, and all  
7 executors, administrators, guardians, trustees and other fiduciaries,  
8 may legally invest any sinking funds, moneys or other funds belong-  
9 ing to them or within their control in any bonds issued pursuant to  
10 this act, and such bonds shall be authorized security for any and all  
11 public deposits.

1 \*~~32.~~\* \*34.\* a. All property of the agency is hereby declared to

2 be public property devoted to an essential public and governmental  
 3 function and purpose and shall be exempt from all taxes and special  
 4 assessments of the State or any subdivision thereof. All bonds  
 5 issued pursuant to this act are hereby declared to be issued by a  
 6 body corporate and public of this State and for an essential public  
 7 and governmental purpose and such bonds, and the interest thereon  
 8 and the income therefrom, and all fees, charges, funds, revenues,  
 9 income and other moneys pledged or available to pay or secure  
 10 the payment of such bonds, or interest thereon, shall at all times  
 11 be exempt from taxation, except for transfer, inheritance and  
 12 estate taxes.

13 b. The sale to a housing sponsor of all materials and supplies to  
 14 be used to construct, improve or rehabilitate a housing project  
 15 financed by a loan made by the agency to the housing sponsor shall  
 16 be exempt from all sales taxes of the State or any subdivision  
 17 thereof.

1 \***[33.]**\* \*35.\* All property of the agency, except as otherwise pro-  
 2 vided herein, shall be exempt from levy and sale by virtue of an  
 3 execution and no execution or other judicial process shall issue  
 4 against the same nor shall any judgment against the agency be a  
 5 charge or lien upon its property; except that nothing herein con-  
 6 tained shall apply to or limit the rights of the holder of any bonds  
 7 to pursue any remedy for the enforcement of any pledge or lien  
 8 given by the agency on its revenues or other moneys.

1 \***[34.]**\* \*36.\* a. The agency may obtain, or aid in obtaining,  
 2 *\*from any department or agency of the United States or any other*  
 3 *person\** any insurance or guarantee as to, or of or for the payment  
 4 or repayment of interest or principal, or both, or any part thereof,  
 5 on any loan or any instrument evidencing or securing the same,  
 6 made or entered into pursuant to the provisions of this act; and  
 7 notwithstanding any other provisions of this act enter into any  
 8 agreement, contract or any other instrument whatsoever with re-  
 9 spect to any such insurance or guarantee, and accept payment in  
 10 such manner and form as provided therein in the event of the de-  
 11 fault by the borrower.

12 b. The agency may obtain *\*from any department or agency of*  
 13 *the United States or any other person\** any insurance or guarantee  
 14 as to, or of or for the payment or repayment of, interest or prin-  
 15 cipal, or both, or any part thereof, on any bonds issued by the  
 16 agency pursuant to the provisions of this act; and notwithstanding  
 17 any other provisions of this act enter into any agreement, contract  
 18 or any other instrument whatsoever with respect to any such in-  
 19 surance or guarantee except to the extent that such action would

20 in any way impair or interfere with the agency's ability to perform  
21 and fulfill the terms of any agreement made with the holders of  
22 the bonds of the agency.

1 \***[35.]**\* \*37.\* a. It is the intent of the Legislature that in the event  
2 of any conflict or inconsistency in the provisions of this act and any  
3 other acts concerning housing sponsors or any rules and regulations  
4 adopted thereunder, to the extent of such conflict or inconsistency,  
5 the provisions of this act shall be enforced and the provisions of  
6 such other acts and rules and regulations adopted thereunder shall  
7 be of no effect.

8 b. The governing body of any municipality in which a housing  
9 project \***[ordinance]**\* \*financed\* or to be financed by the agency is  
10 or is to be located may by ordinance or resolution, as appropriate,  
11 provide that such project shall be exempt from real property taxa-  
12 tion; if the housing sponsor enters into an agreement with the mu-  
13 nicipality for payments to the municipality in lieu of taxes for  
14 municipal services. Any such agreement may require the housing  
15 sponsor to pay to the municipality an amount up to 20% of the an-  
16 nual gross revenue from each housing project situated on such real  
17 property for each year of operation thereof following the substan-  
18 tial completion thereof. For the purpose of this section, "annual  
19 gross revenue" means the total annual gross rental or carrying  
20 charge and other income of a housing sponsor from a housing proj-  
21 ect. If any such agreement is entered into from the date of record-  
22 ing the mortgage on the project to the date of substantial comple-  
23 tion of the project, the annual amount payable to the municipality  
24 as taxes or as payments in lieu of taxes in respect of the project site  
25 shall not be in excess of the amount of taxes on the project site for  
26 the year preceding the recording of the mortgage. Any agreement  
27 between any housing sponsor and a municipality pursuant to this  
28 subsection shall be submitted to the agency for review in order to  
29 avoid duplicating, overlapping or inconsistent regulations or pro-  
30 visions. Any exemption from taxation pursuant to the provisions  
31 of this section shall not extend beyond the date on which the eligible  
31A loan made by the agency on the project is paid in full.

32 \***[c.]** As used in this section only, "municipality" means and in-  
33 cludes any city of any class, any town, township, village, borough,  
34 or any municipal subdivision of the State; and "governing body"  
35 means, in the case of a municipality, the common council, or the  
36 board of commissioners, or the body managing its affairs, except  
37 that, in the case of cities of the second class having a population  
38 of not less than 133,000 nor more than 200,000 inhabitants, "gov-  
39 erning body" means the board of finance of such city.\*



1    \***[36.]**\* \*38.\* Any person who attempts to or obtains an eligible  
 2 loan hereunder or occupancy or continued occupancy of a dwelling  
 3 unit financed by an eligible loan by false or misleading information  
 4 or who violates this act or who by fraud attempts to obtain moneys  
 5 from the agency or its approval for the payment of moneys or  
 6 fraudulently attempts to or prevents the collection of any moneys  
 7 due to the agency is, for each offense, guilty of a crime of the third  
 8 degree.

1    \***[37.]**\* \*39.\* a. No member, officer or employee of the agency  
 2 shall have or attempt to have, for purposes of personal gain, di-  
 3 rectly or indirectly, any interest:

- 4       (1) In any contract or agreement of the agency;
- 5       (2) In the sale or purchase of any property by the agency;
- 6       (3) In any eligible loan, loan to institutional lender or  
 7 application therefor;
- 8       (4) In any housing project constructed, improved, rehabil-  
 9 itated or operated, or to be constructed, improved, rehabili-  
 9A itated or operated under the provisions of this act; or
- 10      (5) In any boarding house at which or to which a life safety  
 11 improvement is or is to be constructed, acquired or rendered  
 12 with moneys provided by a life safety improvement loan from  
 13 the agency;

14 but this section shall not be construed to prohibit a member, officer  
 15 or employee of the agency from being the borrower on a loan pur-  
 16 chased by the agency made to provide financing for a single family  
 17 dwelling which is the primary residence of the borrower\*, *and the*  
 17A *agency shall adopt a policy governing the eligibility of agency mem-*  
 17B *bers, officers and employees for such loans\*.*

18    b. Any member, officer or employee of the agency who violates  
 19 the provisions of this section is guilty of a crime of the fourth  
 20 degree. Any such person shall be barred from public employment  
 21 in this State in any capacity whatsoever for a period of five years  
 22 from the date he was adjudged guilty.

1    \***[38.]**\* \*40.\* On or before the last day of March in each year, the  
 2 agency shall make an annual report of its activities for the preced-  
 3 ing calendar year to the Governor and to the Legislature. Each  
 4 report shall set forth a complete operating and financial statement  
 5 covering its operations during the year. The agency shall cause an  
 6 audit of its books and accounts to be made at least once in each year  
 7 by certified public accountants and the cost thereof shall be con-  
 8 sidered an expense of the agency and a copy thereof shall be filed  
 9 with the State Treasurer.

1    \***[39.]** The agency shall review annually the housing program con-

2 tent of its actions, its best estimates of housing needs of New Jersey  
3 residents and its assessment of available resources, establish and, in  
4 light of this review, its priorities for housing programs during the  
5 ensuing year.】\*

1 \*41. a. *The agency shall develop and revise every two years an*  
2 *agency financial strategy. This strategy shall be submitted to the*  
3 *presiding officer of each House of the Legislature and to the Senate*  
4 *County and Municipal Government Committee and the General*  
5 *Assembly Housing and Urban Policy Committee, or their succes-*  
6 *sors.*

7 b. *The strategy shall include, but need not be limited to:*

8 (1) *An inventory and description of the housing stock in New*  
9 *Jersey based on currently available data;*

10 (2) *An estimate of the housing needs;*

11 (3) *An estimate of the cost of construction, improvement, repair*  
12 *or rehabilitation of housing to meet those needs;*

13 (4) *Estimates of resources available to meet those needs;*

14 (5) *A list of the agency's priorities in meeting the housing needs*  
15 *of the residents of the State; and*

16 (6) *An estimate of the extent and nature of the agency's financial*  
17 *participation in housing projects for the next two years.*

18 c. *The agency shall annually review the housing program con-*  
19 *tent of its actions in light of the powers granted in this act and of*  
20 *the goals and priorities established in its financing strategy.\**

1 \*【40. Wage rate of workmen employed by qualified housing  
2 sponsors; determination.】\* \*42.\* Each qualified housing sponsor  
3 granted a loan from the agency, or any builder, contractor or sub-  
4 contractor engaged by the qualified housing sponsor for the con-  
5 struction or rehabilitation of any housing projects, shall pay the  
6 workmen employed in the performance of any contract for such  
7 construction or rehabilitation not less than the prevailing wage  
8 rate \*【as determined by the Commissioner of Labor except as  
8A hereinafter provided.

9 In the following instances the qualified housing sponsor granted  
10 a loan from the agency, or any builder, contractor or subcontractor  
11 engaged by the qualified housing sponsor for the construction or  
12 rehabilitation of any housing project shall pay the workmen em-  
13 ployed in the performance of any contract for such construction  
14 or rehabilitation not less than the prevailing wage rate as】\*

15 \*. *The prevailing wage rate shall be determined by the commissioner*  
16 *of the New Jersey Department of Labor in all cases, except that*  
17 *the prevailing wage rate shall be\* determined by the Secretary of*  
18 *the United States Department of Labor in accordance with the*

19 Davis-Bacon Act as amended (40 U. S. Code 276a to 276a-5)\***[**:  
 20 (1) when the loan from the agency for the construction or rehabili-  
 21 tation of a housing project is funded from the proceeds of agency  
 22 obligations to which the general credit of the agency has not been  
 23 pledged, (2) when the loan from the agency is for the construction  
 24 or rehabilitation of a housing project which does not exceed four  
 25 stories, (3)**]**\* when the loan from the agency for the construction  
 26 or rehabilitation of a housing project or the tenants of the housing  
 27 project is the subject of direct or indirect federal assistance other  
 28 than the federal tax-exemption of the interest paid on the agency  
 28A obligations\***[**, or (4) when it is deemed necessary in order for a  
 28B housing project to be financially feasible as determined by agency  
 28C standard underwriting criteria**]**\*.

29 The Commissioner of Labor is authorized to, and shall, determine  
 30 the prevailing wage rate and shall establish the prevailing wage in  
 31 the locality in which the construction or rehabilitation of any hous-  
 32 ing project is to be performed for each craft or trade or classifica-  
 33 tion of all workmen employed in the performance of such construc-  
 34 tion or rehabilitation, as if such construction or rehabilitation were  
 35 "public work" within the meaning of P. L. 1963, c. 150 (34:11-56.25  
 36 et seq.). For the purpose of carrying out the provisions of this  
 37 section, the Commissioner of Labor and any workmen employed in  
 38 the performance of any contract for the construction or rehabilita-  
 39 tion of any housing project, shall have and may exercise or perform  
 40 any right, power or duty granted or imposed upon them by P. L.  
 41 1963, c. 150.

1 \***[41.]**\* \*43.\* All officers, departments, boards, agencies, divisions  
 2 and commissions of the State are hereby authorized and empowered  
 3 to render any services to the agency as may be within the area  
 4 of their respective governmental functions as fixed or established  
 5 by law, and as may be requested by the agency. The cost and  
 6 expense of any such services shall be met and provided for by  
 7 the agency.

1 \***[42.]**\* \*44.\* No person shall be discriminated against, because of  
 2 race, religious principles, color, national origin or ancestry by the  
 3 agency, any housing sponsor, any institutional lender, or any loan  
 4 originator or any agent or employee thereof in connection with  
 5 any housing project or eligible loan. *\*No person shall be discrimi-*  
 6 *nated against because of age in admission to, or continuance of*  
 7 *occupancy in, any housing project receiving assistance under this*  
 8 *act except for any housing project constructed under a govern-*  
 9 *mental program restricting occupancy of at least 90% of the dwell-*  
 10 *ing units to persons 62 years of age or older and any members of*

11 *their immediate households or their occupant surviving spouses, or*  
 12 *constructed as a retirement subdivision or retirement community*  
 13 *as defined in the "Retirement Community Full Disclosure Act,"*  
 14 *P. L. 1968, c. 215 (C. 45:22A-1 et seq.).\** Any person who violates  
 15 the provisions of this section is a disorderly person.

1 \***[43.]**\* \*45.\* It is the intent of the Legislature that in the event  
 2 of any conflict or inconsistency in the provisions of this act and any  
 3 other acts pertaining to matters herein established or provided for  
 4 or in any rules and regulations adopted under this act or said other  
 5 acts, to the extent of such conflict or inconsistency, the provisions  
 6 of this act and the rules and regulations adopted thereunder shall  
 7 be enforced and the provisions of such other acts and rules and  
 8 regulations adopted thereunder shall be of no effect.

1 \***[44.]**\* \*46.\* This act shall be construed liberally to effectuate  
 2 the legislative intent and the purposes of this act as complete and  
 3 independent authority for the performance of every act and thing  
 4 herein authorized and all powers herein granted shall be broadly  
 5 interpreted to effectuate such intent and purposes and not as a  
 6 limitation of powers.

1 \*47. *If any clause, sentence, subdivision, paragraph, section or*  
 2 *part of this act shall be adjudged by any court of competent juris-*  
 3 *isdiction to be unconstitutional or invalid, such judgment shall not*  
 4 *affect, impair or invalidate the remainder thereof, but shall be con-*  
 5 *fined in its operation to the clause, sentence, subdivision, paragraph,*  
 6 *section or part thereof directly involved in the controversy in which*  
 7 *said judgment shall have been rendered.\**

1 \***[45.]**\* \*48.\* The following are repealed:

2 P. L. 1967, c. 81, §§ 1-19, 21-40 (C. 55:14J-1 to 55:14J-19 inclu-  
 3 sive, C. 55:14J-21 to 55:14J-40 inclusive);

4 P. L. 1970, c. 38 (C. 17:1B-4 to 17:1B-25 inclusive);

5 P. L. 1975, c. 160, §§ 1, 5, 6 (C. 17:1B-5.1, 17:1B-9.1, 17:1B-9.2);

6 P. L. 1975, c. 396 (C. 17:1B-9.3);

7 P. L. 1976, c. 3, §§ 3, 8 (C. 55:14J-20.1 and 55:14J-20.2);

8 P. L. 1976, c. 133, § 5 (C. 55:14J-45); and

9 P. L. 1981, c. 515, §§ 1, 2, 6-10 (C. 55:14J-52 to 55:14J-58 inclu-  
 10 sive).

1 \***[46.]**\* \*49.\* This act shall take effect immediately.

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ASSEMBLY HOUSING AND URBAN POLICY  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3463**

with Assembly committee amendments

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**STATE OF NEW JERSEY**

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DATED: MAY 9, 1983

Assembly Bill No. 3463 is reported favorably, with amendments.

This bill merges the New Jersey Mortgage Finance Agency and the New Jersey Housing Finance Agency. HFA was established in 1967 to assist in financing multiple-housing projects; MFA in 1970 to provide availability of financing for single-family mortgage loans. The new agency combines those functions; moreover, in recognition of the non-traditional types of housing now available, the need for innovative housing development techniques, volatile financial markets and changing federal programs, the agency is given considerable flexibility in the types of financing and housing activities authorized.

The amendments proposed by the committee are intended to render the new agency still more comprehensive, flexible and innovative. They include: (1) authority for the agency to "pool" loans which it holds and raise funds by selling shares of such pools to investors; (2) authority for the agency to offer incentives for employers to set up non-profit or limited-dividend corporations to help provide home-ownership opportunities for their employees; (3) a requirement that the agency encourage development of cooperatives, lease-purchase programs and other innovative programs for home-ownership.

Another amendment charters the New Jersey Housing Development Corporation, within the agency, with powers to raise funds through sale of stock, to engage in a variety of housing construction or rehabilitation projects, and to contract with the agency for the development of such projects.

Another amendment authorizes the agency to organize one or more subsidiary corporations to act on behalf of the agency in operating agency-financed projects, rehabilitating foreclosed or abandoned properties, and conducting demonstration or experimental housing activities.

A further amendment requires that, in addition to its annual reports, the agency biennially formulate and update a "financial strategy" assessing the condition of housing in the State and formulating its goals and priorities for the next two years.

Under this proposed legislation, the new agency may provide financing for operating, maintaining, constructing, acquiring, rehabilitating or improving housing of all kinds.

The new agency will succeed to all the rights and obligations of the two original agencies, and will retain their employees. Regulations of the original agencies remain in effect until changed by the new agency.

The board of the new agency will consist of the Commissioner of the Department of Community Affairs, as chairman; the State Treasurer, Attorney General and Commissioner of Banking; and three members appointed by the Governor, with the advice and consent of the Senate, for three-year terms (with one term to expire each year), who are to be persons knowledgeable in areas relating to the agency's activities.

The provisions of the Boarding House Life Safety Improvement Act of 1981, P. L. 1981, c. 515 (C. 55:14J-52 et seq.) have been incorporated into the bill.

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SENATE STATE GOVERNMENT, FEDERAL AND  
INTERSTATE RELATIONS AND VETERANS AFFAIRS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 3463**

[SECOND OFFICIAL COPY REPRINT]  
with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: DECEMBER 5, 1983

This bill merges the New Jersey Mortgage Finance Agency and the New Jersey Housing Finance Agency into a single agency to be known as the New Jersey Housing and Mortgage Finance Agency. The HFA was established in 1967 to assist in financing multi-family housing projects. The MFA was created in 1970 to assist in financing the purchase of single family housing. The new agency will combine these functions and is given a broader grant of authority for financing housing programs. The agency can pool loans, offer incentives, develop cooperatives, organize subsidiary corporations, create a Housing Development Corporation, and issue taxable and nontaxable bonds. It may provide financing for operating, maintaining, constructing, acquiring, rehabilitating or improving various types of housing, ranging from single room occupancy housing to single family homes to multi-family dwellings.

The HMFA shall have the property rights and undertake all of the debts, liabilities, obligations, agreements and covenants of the original agencies. The employees of the original agencies shall become employees of the new agency without affecting their pension and retirement system rights. The regulations of the original agencies will remain in effect until changed by the HMFA.

The HMFA board shall consist of the Commissioner of the Department of Community Affairs, who shall serve as its chairman, the State Treasurer, the Attorney General and the Commissioner of Banking, who shall be members ex officio, and three members appointed by the Governor with knowledge in the areas of housing design, construction or operation, urban redevelopment or community relations. The minutes of the board are subject to a gubernatorial veto.

The bill was amended to provide for consultation with housing sponsors.

A-3468 SIGNED, ET AL.

PAGE TWO

JANUARY 17, 1984

"The drunk driver has become a menace of increasing dimensions," Kean said. "With this new package in place and with stricter enforcement and penalties, New Jersey can lead the nation in sweeping its roads and highways of the drunken driver."

Kean also signed A-1430, sponsored by Assemblyman David Schwartz, D-Middlesex, which creates an 18-member Public Employees Occupational Safety and Health Advisory Board to develop safety and health standards to be applied to public employers and employees.

State and local governments are exempt from Federal OSHA requirements and this legislation is a step toward assuring the health and safety of those employed in government buildings.

The bill is effective immediately, although the OSHA board has 180 days to promulgate its rules for the State. Counties, municipalities and school districts are not affected for two years from the date of enactment.

The Governor also signed A-3463, sponsored by Assemblyman David Schwartz, D-Middlesex, to merge the Housing Finance Agency and the Mortgage Finance Agency into a new panel with expanded powers to promote the financing of low and moderate income housing.

The bill, a Kean Administration initiative, empowers the new Agency to make loans for operating, maintaining, constructing, acquiring, rehabilitating or improving housing property. Its powers extend to all types of housing, including single family, multi-family, congregate housing, single room occupancy housing and mobile homes.

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