

55:14K-5.4
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2021 **CHAPTER:** 372

NJSA: 55:14K-5.4 (Concerns standards for distribution of certain HMFA loans for housing projects during state of emergency.)

BILL NO: A6204 (Substituted for S4263 (1R))

SPONSOR(S) Wimberly, Benjie E. and others

DATE INTRODUCED: 12/9/2021

COMMITTEE: **ASSEMBLY:** Aging & Senior Services

SENATE: ---

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 1/10/2022

SENATE: 1/10/2022

DATE OF APPROVAL: 1/12/2022

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted) Yes

A6204

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

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

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

S4263 (1R)

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

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

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/JA

P.L. 2021, CHAPTER 372, *approved January 12, 2022*
Assembly, No. 6204 (*First Reprint*)

1 AN ACT concerning certain emergency powers of the New Jersey
2 Housing and Mortgage Finance Agency and supplementing
3 P.L.1983, c.530 (C.55:14K-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. During a state of emergency declared by the Governor
9 pursuant to P.L.1942, c.251 (C.App. A:9-33 et seq.) and while such
10 state of emergency is in effect, the agency may make an eligible
11 loan to a housing sponsor for a project to finance the construction,
12 improvement, reconstruction, renovation or rehabilitation of a
13 project.

14 b. The agency, under this section, may exempt an eligible loan
15 from the requirements of subsection c. of section 6 and paragraphs
16 (2), (4), (5), (6), (7), and (8) of subsection a. of section 7 and
17 subsections a., b., d., and e. of section 8 of P.L.1983, c.530
18 (C.55:14K-6, C.55:14K-7, and C.55:14K-8).

19 c. To receive an eligible loan from the agency under this section,
20 a housing sponsor must certify, under penalty of perjury, that the
21 eligible loan is necessary due to factors or conditions resulting from
22 an “emergency” as such term is defined pursuant to section 3 of
23 P.L.1953, First Sp.Sess., c.438, (C.App. A:9-33.1).

24 d. If a project has suffered physical damage, a housing sponsor
25 who receives an eligible loan under this section must:

26 (1) make a claim or claims against all policies of insurance
27 insuring the project; and

28 (2) ¹Except with respect to those insurance proceeds that (a)
29 have been authorized by the agency to be utilized for the
30 rehabilitation of the project; or (b) have been pledged to restore the
31 operating escrows of the project,¹ assign to the agency the right to
32 receive the proceeds of any claims made on all policies of insurance
33 with respect to the project for the agency to credit against the
34 outstanding principal balance of the eligible loan made under this
35 section or against any other amounts that may be due under any
36 eligible loan or loans made to the housing sponsor with respect to
37 the project. Any excess amounts remaining after payment of all
38 principal, interest and any other amounts due to the agency shall be
39 returned to the housing sponsor within thirty days.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ASE committee amendments adopted January 3, 2022.

A6204 [1R]

2

1 2. This act shall take effect immediately.

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6 Concerns standards for distribution of certain HMFA loans for
7 housing projects during state of emergency.

CHAPTER 372

AN ACT concerning certain emergency powers of the New Jersey Housing and Mortgage Finance Agency and supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).

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

C.55:14K-5.4 Eligible loans during states of emergency; conditions.

1. a. During a state of emergency declared by the Governor pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.) and while such state of emergency is in effect, the agency may make an eligible loan to a housing sponsor for a project to finance the construction, improvement, reconstruction, renovation or rehabilitation of a project.

b. The agency, under this section, may exempt an eligible loan from the requirements of subsection c. of section 6 and paragraphs (2), (4), (5), (6), (7), and (8) of subsection a. of section 7 and subsections a., b., d., and e. of section 8 of P.L.1983, c.530 (C.55:14K-6, C.55:14K-7, and C.55:14K-8).

c. To receive an eligible loan from the agency under this section, a housing sponsor must certify, under penalty of perjury, that the eligible loan is necessary due to factors or conditions resulting from an “emergency” as such term is defined pursuant to section 3 of P.L.1953, First Sp.Sess., c.438, (C.App.A:9-33.1).

d. If a project has suffered physical damage, a housing sponsor who receives an eligible loan under this section must:

- (1) make a claim or claims against all policies of insurance insuring the project; and
- (2) Except with respect to those insurance proceeds that (a) have been authorized by the agency to be utilized for the rehabilitation of the project; or (b) have been pledged to restore the operating escrows of the project, assign to the agency the right to receive the proceeds of any claims made on all policies of insurance with respect to the project for the agency to credit against the outstanding principal balance of the eligible loan made under this section or against any other amounts that may be due under any eligible loan or loans made to the housing sponsor with respect to the project. Any excess amounts remaining after payment of all principal, interest and any other amounts due to the agency shall be returned to the housing sponsor within thirty days.

2. This act shall take effect immediately.

Approved January 12, 2022.

ASSEMBLY, No. 6204

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 9, 2021

Sponsored by:

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

Concerns standards for distribution of certain HMFA loans for housing projects during state of emergency.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain emergency powers of the New Jersey
2 Housing and Mortgage Finance Agency and supplementing
3 P.L.1983, c.530 (C.55:14K-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
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8 1. a. During a state of emergency declared by the Governor
9 pursuant to P.L.1942, c.251 (C.App. A:9-33 et seq.) and while such
10 state of emergency is in effect, the agency may make an eligible
11 loan to a housing sponsor for a project to finance the construction,
12 improvement, reconstruction, renovation or rehabilitation of a
13 project.

14 b. The agency, under this section, may exempt an eligible loan
15 from the requirements of subsection c. of section 6 and paragraphs
16 (2), (4), (5), (6), (7), and (8) of subsection a. of section 7 and
17 subsections a., b., d., and e. of section 8 of P.L.1983, c.530
18 (C.55:14K-6, C.55:14K-7, and C.55:14K-8).

19 c. To receive an eligible loan from the agency under this section,
20 a housing sponsor must certify, under penalty of perjury, that the
21 eligible loan is necessary due to factors or conditions resulting from
22 an “emergency” as such term is defined pursuant to section 3 of
23 P.L.1953, First Sp.Sess., c.438, (C.App. A:9-33.1).

24 d. If a project has suffered physical damage, a housing sponsor
25 who receives an eligible loan under this section must:

26 (1) make a claim or claims against all policies of insurance
27 insuring the project; and

28 (2) assign to the agency the right to receive the proceeds of any
29 claims made on all policies of insurance with respect to the project
30 for the agency to credit against the outstanding principal balance of
31 the eligible loan made under this section or against any other
32 amounts that may be due under any eligible loan or loans made to
33 the housing sponsor with respect to the project. Any excess
34 amounts remaining after payment of all principal, interest and any
35 other amounts due to the agency shall be returned to the housing
36 sponsor within thirty days.
37

38 2. This act shall take effect immediately.
39
40

41 STATEMENT
42

43 This bill would modify standards for the distribution of eligible
44 loans to housing sponsors for housing projects during certain states
45 of emergency.

46 Specifically, the during a state of emergency declared by the
47 Governor, this bill would expressly authorize the New Jersey
48 Housing and Mortgage Finance Agency (“HMFA”) to make eligible

A6204 WIMBERLY

1 loans to housing sponsors to finance the construction, improvement,
2 reconstruction, renovation, or rehabilitation of housing projects.
3 The bill would exempt these loans from certain terms and
4 conditions with which HMFA eligible loans ordinarily have to
5 comply. However, to receive an eligible loan under the bill, a
6 housing sponsor would be required to certify, under penalty of
7 perjury, that the eligible loan is necessary due to factors or
8 conditions resulting from an emergency, as defined in existing law.

9 If a housing project has suffered physical damage, a housing
10 sponsor who receives an eligible loan under the bill would be
11 required to: (1) make claims against all policies of insurance
12 involving the project; and (2) assign HMFA the right to receive the
13 proceeds of any claims made on all policies of insurance concerning
14 the project, so that HMFA is able to credit those proceeds against
15 the principal balance of the loan made under bill or other amounts
16 due for other eligible loans to the housing sponsor concerning the
17 project. The bill provides that any excess amounts remaining after
18 payment of all principal, interest and any other amounts due to
19 HMFA would be returned to the housing sponsor within thirty days.

ASSEMBLY AGING AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 6204

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 3, 2022

The Assembly Aging and Senior Services Committee reports favorably and with committee amendments Assembly Bill No. 6204.

As amended, this bill would modify standards for the distribution of eligible loans to housing sponsors for housing projects during certain states of emergency.

Specifically, the during a state of emergency declared by the Governor, this bill would expressly authorize the New Jersey Housing and Mortgage Finance Agency (“HMFA”) to make eligible loans to housing sponsors to finance the construction, improvement, reconstruction, renovation, or rehabilitation of housing projects. The bill would exempt these loans from certain terms and conditions with which HMFA eligible loans ordinarily have to comply. However, to receive an eligible loan under the bill, a housing sponsor would be required to certify, under penalty of perjury, that the eligible loan is necessary due to factors or conditions resulting from an emergency, as defined in existing law.

If a housing project has suffered physical damage, a housing sponsor who receives an eligible loan under the bill would be required to: (1) make claims against all policies of insurance involving the project; and (2) assign HMFA the right to receive the proceeds of any claims made on all policies of insurance concerning the project, so that HMFA is able to credit those proceeds against the principal balance of the loan made under bill or other amounts due for other eligible loans to the housing sponsor concerning the project. This assignment requirement, however, would not apply with respect to insurance proceeds that have either been authorized by the agency for the rehabilitation of the project, or pledged to restore the project’s operating escrows. The bill provides that any excess amounts remaining after payment of all principal, interest and any other amounts due to HMFA would be returned to the housing sponsor within thirty days.

COMMITTEE AMENDMENTS:

The committee amendments to this bill would establish an exception to the bill’s requirement that, if a project has suffered physical damage, a housing sponsor who receives an eligible loan

under the bill would assign to the agency the right to receive the proceeds of any claims made on certain insurance policies concerning the project. As amended, this assignment requirement would not apply with respect to insurance proceeds that have either been authorized by the agency for the rehabilitation of the project, or pledged to restore the project's operating escrows.

SENATE, No. 4263

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 9, 2021

Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS

Concerns standards for distribution of certain HMFA loans for housing projects during state of emergency.

CURRENT VERSION OF TEXT

As introduced.



S4263 SINGLETON

2

1 AN ACT concerning certain emergency powers of the New Jersey
2 Housing and Mortgage Finance Agency and supplementing
3 P.L.1983, c.530 (C.55:14K-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. During a state of emergency declared by the Governor
9 pursuant to P.L.1942, c.251 (C.App. A:9-33 et seq.) and while such
10 state of emergency is in effect, the agency may make an eligible
11 loan to a housing sponsor for a project to finance the construction,
12 improvement, reconstruction, renovation or rehabilitation of a
13 project.

14 b. The agency, under this section, may exempt an eligible loan
15 from the requirements of subsection c. of section 6 and paragraphs
16 (2), (4), (5), (6), (7), and (8) of subsection a. of section 7 and
17 subsections a., b., d., and e. of section 8 of P.L.1983, c.530
18 (C.55:14K-6, C.55:14K-7, and C.55:14K-8).

19 c. To receive an eligible loan from the agency under this
20 section, a housing sponsor must certify, under penalty of perjury,
21 that the eligible loan is necessary due to factors or conditions
22 resulting from an “emergency” as such term is defined pursuant to
23 section 3 of P.L.1953, First Sp.Sess., c.438, (C.App. A:9-33.1).

24 d. If a project has suffered physical damage, a housing sponsor
25 who receives an eligible loan under this section must:

26 (1) make a claim or claims against all policies of insurance
27 insuring the project; and

28 (2) assign to the agency the right to receive the proceeds of any
29 claims made on all policies of insurance with respect to the project
30 for the agency to credit against the outstanding principal balance of
31 the eligible loan made under this section or against any other
32 amounts that may be due under any eligible loan or loans made to
33 the housing sponsor with respect to the project. Any excess
34 amounts remaining after payment of all principal, interest and any
35 other amounts due to the agency shall be returned to the housing
36 sponsor within thirty days.
37

38 2. This act shall take effect immediately.
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43 This bill would modify standards for the distribution of eligible
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S4263 SINGLETON

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2 reconstruction, renovation, or rehabilitation of housing projects.
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13 proceeds of any claims made on all policies of insurance concerning
14 the project, so that HMFA is able to credit those proceeds against
15 the principal balance of the loan made under bill or other amounts
16 due for other eligible loans to the housing sponsor concerning the
17 project. The bill provides that any excess amounts remaining after
18 payment of all principal, interest and any other amounts due to
19 HMFA would be returned to the housing sponsor within thirty days.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4263

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 6, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4263, with committee amendments.

As amended, this bill would modify standards for the distribution of eligible loans to housing sponsors for housing projects during certain states of emergency.

Specifically, during a state of emergency declared by the Governor, this bill would expressly authorize the New Jersey Housing and Mortgage Finance Agency (“HMFA”) to make eligible loans to housing sponsors to finance the construction, improvement, reconstruction, renovation, or rehabilitation of housing projects. The bill would exempt these loans from certain terms and conditions with which HMFA eligible loans ordinarily have to comply. However, to receive an eligible loan under the bill, a housing sponsor would be required to certify, under penalty of perjury, that the eligible loan is necessary due to factors or conditions resulting from an emergency, as defined in existing law.

If a housing project has suffered physical damage, a housing sponsor who receives an eligible loan under the bill would be required to: (1) make claims against all policies of insurance involving the project; and (2) assign HMFA the right to receive the proceeds of any claims made on all policies of insurance concerning the project, so that HMFA is able to credit those proceeds against the principal balance of the loan made under the bill or other amounts due for other eligible loans to the housing sponsor concerning the project. This assignment requirement, however, would not apply with respect to insurance proceeds that have either been authorized by the agency for the rehabilitation of the project, or pledged to restore the project’s operating escrows. The bill provides that any excess amounts remaining after payment of all principal, interest and any other amounts due to HMFA would be returned to the housing sponsor within thirty days.

COMMITTEE AMENDMENTS:

The committee amendments to this bill would establish an exception to the bill’s requirement that, if a project has suffered physical damage, a housing sponsor who receives an eligible loan

under the bill would assign to the agency the right to receive the proceeds of any claims made on certain insurance policies concerning the project. As amended, this assignment requirement would not apply with respect to insurance proceeds that have either been authorized by the agency for the rehabilitation of the project, or pledged to restore the project's operating escrows.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

Governor Murphy Takes Action on Legislation

01/12/2022

TRENTON - Today, Governor Murphy signed the following bills into law:

S-4139/A-6155 (Vitale, Madden/Conaway, Stanley, Mukherji) - Extends temporary emergency licensure of certain health care professionals

S-4161wGR/A-6113 (Beach/Stanley) - Removes requirement for promulgation by Governor of national census

A-6148/S-4221 (Karabinchak, Mukherji, Swain/Beach, Greenstein, Gopal) - Appropriates \$37,174,636.71 from "New Jersey Library Construction Fund" to provide grants for construction, reconstruction, development, extension, improvement, and furnishing of New Jersey's public libraries

A-6171/S-4219 (Quijano, Lopez, Coughlin, Mukherji/Cryan, Pou, Scutari) - Creates Office of Information Privacy; requires, upon request, redaction and nondisclosure of home address of judicial officers, prosecutors, law enforcement officers, and immediate family members thereof residing in same household; makes appropriation

A-6204/S-4263 (Wimberly/Singleton) - Concerns standards for distribution of certain HMFA loans for housing projects during state of emergency

A-6251/S-4277 (Timberlake, Benson, Wimberly/Ruiz, Singleton,) - Establishes "New Jersey Foreclosure Counseling Fund"