

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 4200

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 4200.

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

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

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

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

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

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

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

COMMITTEE AMENDMENTS:

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