



Unitarian Universalist Legislative Ministry

A voice for justice, equality and compassion in New Jersey

Speaking out for Affordable Housing

Economic Justice Task Force 2015 State Legislative Policy Priorities

Policy Statement: As UU's we believe in the worth and dignity of every human being, That is why the Economic Justice Task Force of the UULMNJ stands with other nonprofits and faith-based groups to advocate for affordable housing

The lack of homes New Jerseyans can afford harms our residents and stifles our economy. This situation was made worse by the Great Recession of 2008 and by Super Storm Sandy. Both of these events resulted in greater foreclosure rates and vacated properties. Vacant properties hurt the revitalization efforts of communities and our New Jersey's recovery process. Our State continues to be one of the U.S. states with the worst foreclosure problem.

We support the following bills that are moving through the legislature and aim to reduce the impact of foreclosure, speed recovery, and maintain or increase levels of affordable housing (the following information was provided by *Housing and Community Development Network of New Jersey*. The "Facts" normally presented in a "Fact Sheet" format are contained in the description of each Bill, below).

- Provides 3-year protection against foreclosure to owners of real property damaged during Super Storm Sandy. (S2577) sponsored by Sen. Van Drew. This bill would prevent the foreclosure of any mortgage obligation on any real property that was damaged by Superstorm Sandy for thirty-six months. Passed Sen. Urban and Community Affairs Committee 12/8/14.
- Provides expedited procedure for foreclosing residential properties in uncontested actions and accesses a fee. (S2679/A4075) sponsored by Senators Rice/Cunningham and Asm. Garcia. The bill requires a payment by the lender of a \$1,000 fee for using this process for expedited judgment. Half the fee will go to Housing and Mortgage Finance Agency for the purpose of funding Housing and Urban Development certified housing counseling agencies.
- Creates Mortgage Assistance Pilot Program (A955/S1508) sponsored by Asm. Singleton and Sen. Van Drew. A pilot program allows a homeowner with negative home equity who is in default of a mortgage owned by the agency to lower the remaining principal owed on the mortgage to an amount more reflective of current market realities in exchange for conveying an equity share in the property to the agency. Passed Asm. Appropriations Committee 10/2/14; Passed Sen. Urban and Community Affairs Committee 5/19/14.
- Funding for foreclosure prevention: (A1994/ S2081) sponsored by Asm. Green/Asw. Sumter and Sen. Rice to create a Foreclosure Prevention and Neighborhood Stabilization Revolving Trust Fund; places temporary surcharge on mortgage foreclosure complaints. The fund will be financed through a temporary \$1,200 surcharge placed on each foreclosure complaint filed in the State. DCA shall provide up to \$500,000 from the fund to train qualified vendors to provide training to local governments and non-profit entities undertaking neighborhood stabilization efforts. The Department may utilize \$500,000 in the first year of the fund, and \$300,000 each year thereafter, for the purpose of collecting and disseminating foreclosure data. Following these disbursements from the fund, the next \$10 million collected during the fiscal year shall be allocated to qualified non-profit entities for

the purpose of maintaining or expanding their foreclosure prevention programs. Entities receiving these funds shall issue quarterly reports detailing the success of their foreclosure prevention programs. Passed Asm. Housing Committee 3/13/14; Passed the full Senate 6/26/14.

- Foreclosure Recording of Mortgages (A3837/S1346) sponsored by Asm. Coughlin/ Sen. Rice. Revises current law regarding the recording mortgages, in response to the findings from a study of mortgage recording law undertaken by the New Jersey Law Revision Commission to clarify who holds a mortgage. Passed Asm. Financial Institutions and Insurance Committee 11/23/14. Passed the Senate unanimously in June.
- Codifies the Foreclosure Mediation Program and funds it. (S296) sponsored by Sen. Rice. This bill also dedicates monies from foreclosure filing fees and fines to run the program. Mandates use of certified foreclosure counselors. Passed Sen. Urban and Community Affairs Committee 12/8/14.
- Extends post-military service protection against mortgage foreclosure to one year. (S2570/A3971) sponsored by Sen. Beach/Asm. Mazzeo. Extends current protection under federal law which may expire Jan. 1, 2015. Passed Senate Urban and Community Affairs Committee 12/8/14
- Establishes New Jersey Residential Foreclosure Transformation Act (A470/S693) sponsored by Asm. Green and Sen. Lesniak, this bill creates the "NJ Foreclosure Transformation Program" as a temporary program within the NJHMFA ("HMFA") for the purpose of purchasing foreclosed residential properties from institutional lenders and dedicating them for occupancy as affordable homes. The HMFA shall cease the program's operations on December 31, 2017. Passed Asm. Appropriations Committee 6/23/14.
- Adopting the NJ Economic Opportunity Act of 2014 Part 1 (S928/A2716) sponsored by Sen. Lesniak and Asm. Green. This bill would allocate \$250 million in tax credits to rehabilitate 100% affordable housing including a \$50 million set-aside for smaller developments of 25-100 units. We are working to have the bill amended so that "Distressed Municipalities" (about 50 towns, including Montclair, Secaucus and similar communities) are not exempt from a 20% affordable requirement when using state housing funds. Passed the Senate 3/27/14.
- Preventing the repeal of the "Statewide Non-Residential Development Fee Act." (S934/A127) sponsored by Sen. Beck/Asw. McHose and Asm. Space. We oppose this bill that would end a source of sorely needed funds for town's to address their COAH obligations. Passed Senate Urban and Community Affairs Committee 12/8/14.

For Further Information, Please Contact:
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