

## CHAPTER 15

AN ACT concerning Superstorm Sandy recovery, and amending and supplementing P.L.2015, c.102.

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

1. Section 2 of P.L.2015, c.102 (C.52:15D-4) is amended to read as follows:

C.52:15D-4 Definitions relative to Superstorm Sandy aid money.

2. As used in P.L.2015, c.102 (C.52:15D-3 et seq.), as amended and supplemented:

"Agency" means the New Jersey Housing and Mortgage Finance Agency established pursuant to section 4 of P.L.1983, c.530 (C.55:14K-4). "Applicant" means an individual or business that has applied for, is waiting for, or is receiving benefits under a recovery and rebuilding program, and shall include individuals who are awaiting the completion of a construction project using benefits received under a recovery and rebuilding program.

"Commissioner" means the Commissioner of Community Affairs.

"Department" means the Department of Community Affairs.

"Forbearance" means a period of time during which obligations for mortgage and interest payments are suspended.

"FRM" means the Fund for Restoration of Multifamily Housing.

"Qualified contractor pool" means a listing of contractors approved by the Department of Community Affairs participating in the RREM program.

"LMI" means Low-to-Moderate Income and the program for which policies and procedures have been adopted by the Department of Community Affairs.

"Mortgage" means a mortgage, trust deed, or other security in the nature of a residential mortgage.

"Recovery and rebuilding program" means the use of funding provided by the federal government for the RREM and LMI programs, which are intended to help individuals rebuild and recover from Superstorm Sandy, the TBRA program, which is intended to assist renters in returning to and residing in areas impacted by Superstorm Sandy, and the FRM program, which is intended to assist developers in repairing or replacing rental housing units damaged or destroyed by Superstorm Sandy.

"RREM" means Reconstruction, Rehabilitation, Elevation and Mitigation.

"Sandy-impacted homeowner" means a homeowner for whom one or both of the following are true:

- (1) the homeowner received rental assistance from the Federal Emergency Management Agency as a result of damage to his or her primary residence due to Superstorm Sandy; or
- (2) the homeowner has been approved for assistance through the RREM or LMI program.

"Superstorm Sandy" means the major storm that made landfall in New Jersey on October 29, 2012.

"TBRA" means Tenant-Based Rental Assistance.

2. Section 3 of P.L.2015, c.102 (C.52:15D-5) is amended to read as follows:

C.52:15D-5 Responsibilities of the department.

3. Within 60 days of the effective date of P.L.2017, c.15, the department shall:

- a. Provide each applicant to the RREM and LMI program with a personal timeline setting forth a general estimation of the time in which an applicant can expect to receive assistance through the RREM program and LMI program and a reasonable estimate of when

the applicant can expect completion of the project for which they have requested assistance, based upon the department's past experience administering funds through the RREM program and LMI program. The timeline shall track the process of applying for assistance from the RREM and LMI programs from the time an applicant files his or her application with the department through the completion of the project for which the applicant requested assistance, and shall include:

(1) When the applicant should expect to receive 50 percent of the RREM grant money that the department has awarded the applicant; and

(2) When the applicant should expect to receive 100 percent of the RREM and LMI grant money that the department has awarded the applicant.

b. Provide each applicant to the RREM program and LMI program with information about the status of his or her individual application, including:

(1) the date on which the department received the application;

(2) a list of all required documents or other verifications submitted by the applicant related to the application and the date on which the department received each document; and

(3) a list of all documents or other verifications which still need to be submitted by the applicant in order to complete the RREM application and LMI application and the date on which each item must be received.

c. Upon request from an applicant to the RREM program and LMI program appealing a decision to deny the applicant benefits under the program, provide to the applicant information about the status of his or her appeal, including:

(1) the date on which the applicant filed the appeal;

(2) all pending reviews of the appeal and the date of any upcoming hearings related to the appeal;

(3) the department's final determination, if one is made as of the date the request for information is fulfilled, or otherwise the date on which the applicant can expect that the department will make a final determination concerning the appeal;

(4) a list of all documents related to the appeal and the date on which each document was filed; and

(5) an explanation of any decision to deny an application for aid, and an explanation of how to remedy the application, when possible, and continue the appeal process.

d. In the event the department denies an appeal by a RREM or LMI applicant, the department shall refer the applicant to a housing counselor who is certified by the federal Department of Housing and Urban Development or is part of a program established by the department to provide housing counseling to people impacted by Superstorm Sandy.

e. Extend the one-year deadline for completing a project following a RREM or LMI grant award date for any applicant who demonstrates that the delay is the result of:

(1) the non-performance or non-availability of the contractor, or

(2) delays by the department in approving the contractor associated with the project.

f. Maintain an appeals process for at least six months following the effective date of P.L.2017, c.15, open to any applicant to the RREM program who submitted an initial application by the deadline of August 1, 2013, regardless of the reason the applicant had previously withdrawn, or been denied or removed from the application process.

3. Section 5 of P.L.2015, c.102 (C.52:15D-7) is amended to read as follows:

C.52:15D-7 Development, maintenance of website relative to recovery, rebuilding programs; reports by department.

5. a. Within 180 days of the effective date of P.L.2015, c.102 (C.52:15D-3 et seq.), the department shall develop and maintain an Internet website or webpage providing information concerning recovery and rebuilding programs. At a minimum, the website shall:

(1) Allow an applicant to a recovery and rebuilding program to submit securely through the website a request for specific information on the current status of his or her application for assistance from a recovery and rebuilding program, to which the department shall respond by phone or by email within two business days.

(2) Provide a plain language explanation of every recovery and rebuilding program, all requirements to apply for and receive benefits, how to file appeals, and a description of the process necessary to correct any deficiency with an application.

(3) Provide contact information for each builder in the qualified contractor pool, including each builder's telephone number and Internet website address, and identify any builders that have been removed from the qualified contractor pool.

(4) Provide and update information regarding the expenditure of recovery and rebuilding program funds and related contracts on the Internet website on a monthly basis. A full and current explanation of the criteria and process by which recovery and rebuilding program applications are prioritized shall also appear on the website. Changes to program policy, information on new contractor awards, and the status of work performed pursuant to the contractor awards shall be posted on the Internet website.

(5) Provide information on how all recovery and rebuilding program funding has been and will be allocated on the Internet website, including information about the allocation process for all rounds of funding distribution; and:

(a) the total number of applications submitted for recovery and rebuilding program funding;

(b) the number of applicants that have received 50 percent or more of the recovery and rebuilding program grant money that the department has awarded them;

(c) the number of applicants that have received 100 percent of the recovery and rebuilding program grant money that the department has awarded them;

(d) the number of applicants that have completed recovery and rebuilding program-funded construction or elevation projects in compliance with local, State, and federal building codes and regulations; and

(e) the number of applicants that have received a final certificate of occupancy and grant closeout.

b. The department shall develop and publish on the Internet website a description of how it developed the timelines for the disbursement of recovery and rebuilding program assistance developed pursuant to sections 3, 7, and 8 of P.L.2015, c.102 (C.52:15D-5, C.52:15D-9, and C.52:15D-10). The department shall allow an applicant to request his or her individualized timeline for the disbursement of program funding, developed pursuant to sections 3, 7, and 8 of P.L.2015, c.102 (C.52:15D-5, C.52:15D-9, and C.52:15D-10), through the website, to which the department shall respond by phone or by email within two business days.

c. The department shall publish on the Internet website its quarterly goals for the disbursement of recovery and rebuilding program assistance developed pursuant to section 4 of P.L.2015, c.102 (C.52:15D-6).

d. The department shall publish on the Internet website the commissioner's report on the use of Community Development Block Grant Disaster Recovery funds and other funds that may be available for similar purposes for interim assistance submitted to the Governor and Legislature pursuant to section 6 of P.L.2015, c.102 (C.52:15D-8).

e. In addition to publishing the information as required in this section, the department may distribute the information by any other method it deems appropriate.

f. (1) By the first day of the sixth month next following enactment of P.L.2017, c.15, the department shall publicly report:

(a) The reason for each application denial and wait-list placement from the RREM, TBRA, and LMI programs since the beginning of the recovery effort;

(b) After conducting a reasonable effort to contact withdrawn applicants, the reason for each withdrawal by an applicant from the RREM, TBRA, and LMI programs since the beginning of the recovery effort; and

(c) Concerning application denials, wait-list placements, and withdrawals from the RREM, TBRA, and LMI programs since the beginning of the recovery effort, information on where the associated funding has been allocated.

(2) On a quarterly basis, beginning with the enactment of P.L.2017, c.15, and continuing through the end of 2018, the department shall publicly report:

(a) The reason for each new application denial and wait-list placement from the RREM, TBRA, and LMI programs;

(b) After conducting a reasonable effort to contact withdrawn applicants, the reason for each new withdrawal by an applicant from the RREM, TBRA, and LMI programs; and

(c) Concerning new application denials, wait-list placements, and withdrawals from the RREM, TBRA, and LMI programs, information on where the associated funding is instead being allocated.

4. Section 7 of P.L.2015, c.102 (C.52:15D-9) is amended to read as follows:

C.52:15D-9 Provision of timeline to TBRA applicant.

7. Within 60 days of the effective date of P.L.2015, c.102 (C.52:15D-3 et seq.), the department shall:

a. Provide each applicant to the TBRA program with a timeline setting forth a general estimation of the time in which an applicant can expect to receive assistance through the TBRA program, based upon the department's past experience administering funds through the TBRA program. The timeline shall track the process of applying for assistance from the TBRA program from the time an applicant files his or her application.

b. Provide each applicant to the TBRA program with information about the status of his or her individual application, including:

(1) the date on which the department received the application;

(2) a list of all required documents or other verifications submitted by the applicant related to the application and the date on which the department received each document; and

(3) a list of all documents or other verifications which still need to be submitted by the applicant in order to complete the TBRA application and the date on which each item must be received.

c. Upon request from an applicant to the TBRA program appealing a decision to deny the applicant benefits under the program, provide to the applicant information about the status of his or her appeal, including:

(1) the date on which the applicant filed the appeal;

(2) all pending reviews of the appeal and the date of any upcoming hearings related to the appeal;

(3) the department's final determination, if one is made as of the date the request for information is fulfilled, or otherwise the date on which the applicant can expect that the department will make a final determination concerning the appeal;

(4) a list of all documents related to the appeal and the date on which each document was filed; and

(5) an explanation for any decision to deny an application for aid, and, if eventual approval is still possible, an explanation for ways to remedy the application.

d. In the event the department denies an appeal by a TBRA applicant, the department shall refer the applicant to a housing counselor who is certified by the federal Department of Housing and Urban Development or is part of a program established by the department to provide housing counseling to people impacted by Superstorm Sandy.

C.52:15D-13 Eligibility for forbearance.

5. a. A Sandy-impacted homeowner shall be eligible for a forbearance regardless of whether the homeowner's primary residence is already the subject of a foreclosure proceeding. The Sandy-impacted homeowner shall apply to the commissioner, on forms to be provided by the department, for a certification of eligibility for the forbearance under this subsection before the first day of the third month next following the date when the commissioner makes the application available pursuant to subparagraph (b) of paragraph (1) of subsection e. of this section. The commissioner shall approve or deny an application within 30 days of its delivery to the commissioner. If the application is not approved or denied within 30 days of its delivery, the application shall be deemed approved.

b. The forbearance period shall conclude upon the earlier of:

(1) the conclusion of one year following issuance of a certificate of occupancy for recovery and rebuilding program work;

(2) July 1, 2019; or

(3) regarding a property in foreclosure proceedings, upon the expiration of 10 days following sheriff's sale.

c. Notwithstanding the provisions of any law, rule, or regulation to the contrary, the repayment period of any mortgage subject to the forbearance established in subsection a. of this section shall be extended by the number of months the forbearance is in effect. During the time of the forbearance and during the period constituting an extension of the mortgage, all terms and conditions of the original mortgage, except with regard to default and delinquency during forbearance, shall continue without modification, and there shall be no fees assessed for the forbearance, or penalty for early repayment.

d. A Sandy-impacted homeowner who was the subject of a foreclosure proceeding as of August 10, 2015, the effective date of P.L.2015, c.102 (C.52:15D-3 et seq.) shall, upon good cause shown, be awarded, by the court and upon application by the property owner, a stay in the foreclosure proceedings. An application to the court by a property owner under this subsection shall be made before the first day of the fifth month next following the effective date of P.L.2017, c.15, unless the courts in their discretion permit application submission for a longer period. The receipt of rental assistance from the Federal Emergency Management Agency as a result of damage to the homeowner's primary residence due to Superstorm Sandy, or approval for assistance through the RREM or LMI program, shall constitute good cause for the award of a stay under this subsection for a period concluding upon the earlier of:

(1) the conclusion of one year following issuance of a certificate of occupancy for recovery and rebuilding program work; or

(2) July 1, 2019.

e. (1) Prior to the first day of the second month next following the effective date of P.L.2017, c.15, the commissioner shall:

(a) notify as many Sandy-impacted homeowners as is reasonably possible of eligibility for a forbearance or stay of foreclosure proceedings;

(b) post information on eligibility and the application process for the forbearance and stay of foreclosure proceedings, and make forbearance applications available, on the department's Internet website;

(c) notify the courts of what individuals and associated properties are eligible for a forbearance or stay of foreclosure proceedings; and

(d) to the greatest extent reasonably possible, notify the State's active mortgage lenders of what individuals and associated properties are eligible for a forbearance or stay of foreclosure proceedings.

(2) Upon knowledge of a homeowner's eligibility for a forbearance or stay of foreclosure proceedings, the mortgage lender shall notify the homeowner and the courts.

(3) Upon approval of a forbearance application pursuant to subsection a. of this section, the commissioner shall notify the applicant, the mortgage lender, and the courts.

f. Sandy-impacted homeowners awarded a stay of foreclosure proceedings or forbearance, or both, under this section shall be responsible for the maintenance of the property during the stay or period of forbearance, or both. After service of notice of any proceedings conducted to terminate forbearance, made on the mortgagor at an address determined pursuant to due diligence of the movant mortgagee or creditor to be the actual current residence of the mortgagor, providing opportunity for the mortgagor to respond and contest the proceedings, a stay of foreclosure proceedings or forbearance, or both, awarded under this section shall cease immediately upon a court's determination that the subject residential property has been abandoned by the Sandy-impacted homeowner.

g. Nothing in this section shall be construed as limiting the ability of a mortgagee and residential property owner to participate in a mediation sponsored by the Administrative Office of the Courts in accordance with the requirements of the mediation program. Nothing in this section shall be construed to impact property tax and insurance obligations of a property owner related to any real property in the State.

6. This act shall take effect immediately.

Approved February 10, 2017.