

SENATE, No. 2224

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED OCTOBER 16, 2008

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Mercer)

Senator RONALD L. RICE

District 28 (Essex)

SYNOPSIS

Prohibits denial of application for occupancy of affordable rental units based on deficiencies in credit resulting from market rate unit rental history.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning eligibility for affordable rental units and
2 supplementing P.L.1985, c.222 (C.52:27D-301 et al.).

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

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7 1. a. The Legislature finds that the current shortage of
8 affordable housing in this State has forced many low- and
9 moderate-income New Jersey residents to live in market-rate
10 housing. Some of these individuals have damaged their
11 creditworthiness by unsuccessfully attempting to meet the financial
12 obligations of market-rate housing, rather than facing homelessness.
13 The Legislature declares that it is in the interest of the public to
14 create a policy to address and remediate this problem for low- and
15 moderate-income households.

16 b. When denying an application for occupancy of a restricted
17 unit, an administrative agent administering and enforcing
18 affordability controls pursuant to the "Fair Housing Act," P.L.1985,
19 c.222 (C.52:27D-301 et al.), may not base the denial on deficiencies
20 in an applicant's credit or rental history that are the result of
21 occupancy of a market-rate rental unit or other market-rate housing.

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23 2. This act shall take effect immediately.

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STATEMENT

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28 This bill requires an administrative agent administering Housing
29 and Mortgage Finance Agency affordable housing units to disregard
30 certain aspects of an applicant's credit history in making a
31 determination on an application for occupancy of an affordable unit.
32 Recently, the lack of affordable housing in New Jersey has forced
33 many citizens to take on market-rate housing obligations that are
34 beyond their means. As a result, individuals in this State are coping
35 with damaged credit.

36 The Housing and Mortgage Finance Agency rules make an
37 administrative agent responsible for ensuring that units within their
38 portfolio are rented to eligible low- and moderate-income
39 households. The limited number of affordable units available in
40 New Jersey has forced some eligible low- and moderate-income
41 families to take on housing expenses beyond their means. As a
42 result, these families' credit may be damaged. This legislation
43 ensures that, during the application process, an administrative agent
44 does not penalize eligible families who have been forced by
45 external circumstances to take on housing-related financial
46 obligations beyond their control.