



COMMUNITY HAZARD ASSISTANCE MITIGATION PROGRAM

**STATE FISCAL YEAR 2027
FINANCIAL PLAN**

Submitted to the State Legislature by:

**The New Jersey Infrastructure Bank
The New Jersey State Police:
Office of Emergency Management**

May 2026



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Report to the Legislature
Pursuant to
P.L. 1985, Chapter 334
New Jersey Infrastructure Trust Act
as amended including P.L. 2016, c. 56

By

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I. INTRODUCTION / PROGRAM OVERVIEW

The New Jersey Infrastructure Bank ¹ (the “I-Bank”) and the New Jersey State Office of Emergency Management within the Division of State Police in the Department of Law and Public Safety (“NJOEM”), are pleased to present the State Fiscal Year 2027 (“SFY2027”) New Jersey Community Hazard Assistance Mitigation Program Financial Plan (the “the Financial Plan” or “Report”) to the New Jersey State Legislature. The I-Bank is required to submit this Report by May 15th of each year pursuant to the New Jersey Infrastructure Trust Act, N.J.S.A. 58:11B-1 et seq., as amended (“the Act”) which establishes, among other things, the “New Jersey Community Hazard Assistance Mitigation Program” (“NJ CHAMP” or “Program”).

In accordance with the Act, the I-Bank, and the NJOEM (together, the “Partners”) jointly administer NJ CHAMP to make low interest loans for hazard mitigation and resilience projects (“NJ CHAMP Project” or “Project”) eligible for financing under the Federal Emergency Management Agency’s (“FEMA”) Safeguarding Tomorrow through Ongoing Risk Mitigation (“STORM”) Act with a mission to reduce the cost of financing critical infrastructure projects undertaken by New Jersey (“State”) counties and municipalities. This Report sets forth the plan by which NJ CHAMP Projects will be financed in SFY2027, subject to the availability of funds and compliance with applicable federal and State funding requirements.

In January of 2026, the NJOEM published the Project Prioritization System and Project Priority List for SFY2027 that included:

- A description of Project and borrower eligibility requirements;
- The NJ CHAMP Priority System (“Priority System” or “January Report”) ²; and
- The initial NJ CHAMP Project Priority List (“PPL”) identifying Projects to be considered for funding in SFY2027.

This **Financial Plan** discusses the following NJ CHAMP initiatives for SFY2027:

- The loan application process, parameters, and standards of approval for loans;
- Available loans, loan terms, and the loan closing processes to be utilized in SFY2027 for Projects identified on the PPL.

1. The I-Bank is neither a “bank” nor a “savings bank” within the meaning the New Jersey Banking Act of 1948, or a “national banking association” or a “federal savings bank” within the meaning of the National Bank Act, nor is it subject to the supervision of New Jersey Department of Banking and Insurance (DOBI) or the Office of the Comptroller of the Currency (U.S. Treasury Department), the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation. The I-Bank does not accept “deposits” within the meaning of the New Jersey Banking Act of 1948 or the National Bank Act, and its obligations are not insured by the Federal Deposit Insurance Corporation.

2. The SFY2027 January Report is available at: <https://www.njib.gov/nj/resilience-program>

THE NEW JERSEY INFRASTRUCTURE BANK - OVERVIEW

The I-Bank is an independent state financing authority, in-but-not-of New Jersey Department of the Treasury, authorized to issue, guarantee, or fund debt-service reserve accounts for revenue notes and bonds or to use available cash to make loans to finance the construction of eligible environmental, transportation and hazard mitigation and resilience infrastructure projects. Recognizing the inadequacy of funds available to local governments and water systems, the I-Bank, initially known as the New Jersey Wastewater Treatment Trust (“Trust”) was created by the New Jersey Infrastructure Trust Act, P.L.1985, c.334, N.J.S.A. 58:11B-1 et seq. (the “Enabling Act”) to help meet the cost of upgrading the State's wastewater treatment capacity to comply with State water quality standards. In 1987, the Trust partnered with the New Jersey Department of Environmental Protection and together, issued the first series of loans under New Jersey's state revolving fund (“SRF”) program. In 1997, the federal Drinking Water SRF Program was created and provided additional SRF funds to states for safe drinking water programs. The Enabling Act was subsequently amended in 1997 to increase the role of the Trust to include the financing of drinking water projects. As a result of this expanded authority, the Authority's name was changed to the New Jersey Environmental Infrastructure Trust. Given its past successes in providing efficient financial services to New Jersey communities, the I-Bank's role was once again expanded in January 2018 when the Enabling Act was further amended, granting it the authority to finance certain transportation infrastructure projects. Most recently, in May 2023 the I-Bank's authorization was expanded to partner with the NJOEM to administer NJ CHAMP to finance projects that reduce risks from hazards and disasters eligible under FEMA's STORM Act. The I-Bank now co-administers three separate financing programs: (i) the longstanding New Jersey Environmental Infrastructure Financing Program (“Water Bank”), (ii) the New Jersey Transportation Infrastructure Financing Program (“Transportation Bank”) and (iii) the NJ CHAMP Program. **This Report is specific to the NJ CHAMP Program.**

ELIGIBLE PROJECTS / ELIGIBLE BORROWERS

To the extent funds are available and federal funding conditions can be complied with, NJ CHAMP loans will be available for hazard mitigation and resilience Projects that are aligned with the priorities and goals of the State, or local, hazard mitigation plan (“HMP”). NJ CHAMP financing is limited to NJ CHAMP eligible Project costs which have been incurred, including construction, engineering, legal counsel, financial advisor, permitting, construction management and other costs as allowed pursuant to the STORM Act. NJ CHAMP financing excludes any costs for which other grants have been received.

For SFY2027, eligible borrowers for the Program are limited to counties and municipalities as well as agencies, instrumentalities, authorities, or corporations of any county or municipality. Eligible borrowers which request financing from NJ CHAMP (“Project Sponsors”) must provide collateral to satisfy the loan repayment obligations and meet the creditworthiness standards as set forth in the I-Bank's credit policy (“Credit Policy”) in effect at the time of loan closing. Additionally, eligible borrowers must have a FEMA approved local HMP in effect at the time of loan closing, unless the loan is for hazard mitigation planning activities.

Eligible project types include activities that (i) mitigate the impact of natural hazards and (ii) reduce risk, increase resilience and align with the statutory objectives of the current State HMP. Additionally, local governments may use loans to satisfy the non-federal cost-share requirement for other FEMA Hazard Mitigation Assistance (“HMA”) or Stafford Act mitigation grants, such as the Hazard Mitigation Grant Program, Hazard Mitigation Grant Program Post Fire, Building Resilient Infrastructure and Communities, Congressional Pre-Disaster Mitigation, High Hazard Potential Dam, Public Assistance and Flood Mitigation Assistance.



Restoration Projects

PROJECT FUNDING METHODOLOGY / PROJECT LIST

The Priority System and ranking methodology is the mechanism by which limited funds are distributed among eligible Projects. The priority system incorporates the project eligibility requirements of FEMA’s STORM Act. Full details of the Priority System and ranking methodology are set forth in the SFY2027 January Report (see footnote 2 on page 1).

PROJECT PRIORITY LIST

Identification of a Project on the PPL is a prerequisite to receiving NJ CHAMP financing. Eligible Projects identified by the NJEOM are placed on the ensuing year’s PPL according to the NJOEM’s project ranking. The initial list of projects eligible for funding in SFY2027, pursuant to the SFY2027 Priority System, is set forth in the SFY2027 PPL. The Projects on the initial SFY2027 PPL consist of a pool of **forty-five (45)** Projects with a total estimated cost of **\$213 million**.

The I-Bank may amend the PPL up to four times during each Financing Program year. The SFY2027 PPL is expected to be amended at the beginning of each quarter (July, October, January, and April). Projects will

be placed on an amended PPL upon the Program review and completion of initial due diligence which consists of: (i) assessing project eligibility based on criteria set forth in the NJ CHAMP Program January Report, (ii) determining Project Sponsor eligibility and credit worthiness, and (iii) evaluating the reasonableness of cost estimates.

PROJECT FINANCING

NJ CHAMP provides low interest financing at a 1% interest rate pursuant to the terms of the STORM Act, significantly reducing the financing cost for Program participants compared to the cost of independent financing. Loans will be offered by the I-Bank to the highest ranked, construction-ready Projects on a rolling basis.

Each Project financed through NJ CHAMP receives long-term financing, similar to a home equity line of credit (HELOC), in that only interest is paid based on funds drawn until construction completion. NJ CHAMP loans can cover the cost of eligible engineering work, certain soft costs, and construction. Borrowers are not obligated to make principal repayments until the earlier of construction completion, as determined by the I-Bank, or the end of five (5) full State fiscal years (the “Effective Date”). This structure offers: (i) low-cost capital (through a loan with flexible draw and repayment terms) for Project design and construction costs; (ii) limited cash outflow during construction (e.g., payment of only interest and administrative fees); (iii) a loan maturity that is the lesser of the Project’s useful life (as certified by the Project Sponsor’s engineer) or up to 10, 15, or 20 years based on the loan size (30 years for projects eligible for extended maturities pursuant to 42 U.S.C. § 5135(m)(5)); and (iv) significantly lower interest rate.

Project Sponsors close on a loan for the entire eligible cost of the Project after the I-Bank has certified at least one of the Project’s contracts (e.g., engineering, construction management, or construction). Funds become available to the Project Sponsor for eligible Project costs upon loan closing and each individual contract certification. Funds are disbursed upon NJ CHAMP’s receipt and approval of requisitions and contractor invoices as discussed in Section II, Part D, “Loan Closing.”

Financing will be provided from funds received from FEMA’s STORM Revolving Loan Fund (“RLF”), which includes the FEMA capitalization grant amount as well as New Jersey’s required ten percent (10%) match. A detailed discussion of financing terms and conditions may be found in Section II, Part D, “Loan Closing.”

ADVANTAGES OF NJ CHAMP FINANCING

Program participants realize significant cost-savings and benefits through the following Program features:

- Interest Cost Savings – The low fixed interest rate of one percent (1%) results in interest savings of approximately 28% of the total loan amount for an average A rated borrower with a Project receiving a 20-year loan (or 59% savings for a Project receiving a 30-year loan) when compared to the cost to the borrower financing the Project independently of the Program based on rates as of March 2026;
- Principal Debt Service Payments Deferred During Construction – Repayments of principal are deferred until the Effective Date;

- Level Debt Service / No Front-Loading Requirement – Local government units (“LGUs”) when issuing their own general obligation debt are required to “front load” their debt service schedule. This ensures that debt service payments are larger in the early years of the loan and decline over time. This Program provides for level debt service throughout the life of the loan, unless an alternate schedule is requested by the borrower, approved by the Director of the Division of Local Government Services (“DLGS”) within the State’s Department of Community Affairs and, as capacity of the Program allows;
- Upfront Cash – Funds are available at the commencement of Project’s design phase (and environmental planning, if applicable) through to construction completion of the Project. Funds are disbursed through an expedited requisition approval process, based on costs incurred, relieving Program borrowers from utilizing cash-on-hand to pay contractors and vendors up front (*note, the I-Bank’s other loan programs typically reimburse borrowers within fourteen (14) days of receipt of a complete requisition form and supporting documentation*);
- Broad Range of Allowable Costs – Associated project costs, including environmental planning (if applicable), engineering design, project management, and other professional fees necessary to finance or construct the Project may be financed through the Program based upon costs incurred; and
- Flexible Loan Maturity – A shorter term amortization schedule is available for borrowers who wish to minimize the repayment period of their loan.

II. FINANCING PROGRAM

A. SOURCES / USES OF FUNDS

In September 2024, FEMA announced that New Jersey was selected to receive \$15 million in Federal Fiscal Year (“FFY”) 2024 STORM RLF capitalization grant funding under the RLF’s second year of awards. Upon receipt of these federal funds, combined with the remaining first year award, and New Jersey’s commitment of the required 10% match, NJ CHAMP will have approximately \$21 million of total available funds in SFY2027. NJ CHAMP may utilize a portion of the annual grant funds received from FEMA for the cost of administering the Program (*see footnote for administrative cost restrictions*)³. NJ CHAMP intends to continue submitting an annual Intended Use Plan to secure federal funds for the Program, thereby remaining eligible for future FEMA Notices of Funding Opportunity (“NOFO”).

³. Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L.93-288 as amended), amounts deposited in an entity loan fund, including loan repayments and interest earned on such amounts, may be used for the reasonable costs of administering the fund provided that such amounts for Program administration shall not exceed the greater of (i) \$100,000 per year, (ii) 2 percent of the capitalization grants made to the participating entity in a fiscal year, or (iii) 1 percent of the value of the entity loan fund. In addition, the Program may utilize any fees collected from Program participants regardless of the source for such purpose.

For NJ CHAMP financing in SFY2027, the I-Bank will utilize STORM RLF capitalization grant funds, together with New Jersey's required State match as sources of loan funding. Certain Projects may also qualify for co-funding from one of the I-Bank's other financing programs (i.e., Water Bank or Transportation Bank).

B. APPLICATION PROCESS

OVERVIEW

A separate application is required for each NJ CHAMP Project. Loan applications are accepted at any time throughout the year, and readiness is a central component of Project prioritization. Applications are not accepted after construction advertisement unless prior approval from NJOEM is received. The Program's funding commitment arises at the time of loan closing, subject to the Project Sponsor's receipt of an I-Bank authorization to award a construction contract related to that loan. Generally, the loan application process is as follows:

1. The Project Sponsor's submission of the following:
 - Project Description form ⁴ with Environmental Letter of Interest / Historic Preservation Documentation (as applicable);
 - Loan Application;
 - Engineering design and specifications;
 - Applicable permits;
 - An executed engineering or construction contract (or draft thereof); and
 - A completed Financial Addendum Form ("FAF")
2. The I-Bank's issuance of:
 - Creditworthiness Approval;
 - Authorization to Advertise Construction;
 - Applicable Contract Award Authorization; and
 - Applicable Contract Certification
3. The DLGS issuance of:
 - Approval of the Project Sponsor's Note or Bond issued to the I-Bank (as applicable)
4. FEMA issuance of:
 - Environmental (National Environmental Policy Act ("NEPA")) determination (as applicable); and
 - Historic Preservation determination (as applicable)
5. Execution of a Loan Agreement ⁵

⁴ . Project descriptions for Projects included in the initial PPL set forth in Appendix A of this document are derived from the NJOEM's State Hazard Mitigation Project List.

⁵ . While loans are made for the total estimated project cost, funding commitments are limited to the approved (certified) contract, typically commencing with the engineering contract, and ending with the final construction contract and commencement of repayments.

NJ CHAMP APPLICATIONS

NJ CHAMP finances Projects that address the needs identified on the State HMP, including projects with significant gaps in funding. Projects are initially included on the PPL upon a Project Sponsor's application for funds for Project activities that are consistent with the priorities of the NJ State HMP. Project Sponsors interested in financing through NJ CHAMP may submit preliminary project information through the NJ CHAMP [application](#) on the I-Bank's website.



Reconstruction Project

MEETINGS / STATUS MEETINGS

Application Meetings. Upon receipt of a Project's application, conference calls or in-person meetings will be held with a Project Sponsor and its professional advisors to provide an overview of the application process as it relates to its specific Project. As discussed in the Environmental Planning Section below, these conferences provide a Project Sponsor with guidance as to what, if any, submissions are required to document a Project's potential impact upon the environment and historic properties. In addition, a Project Sponsor receives other information to further reduce confusion, application related costs and delays.

A Project Sponsor is also provided guidance as to the submission of the engineering contract (draft or executed) and FAF in preparation for loan closing to ensure Program funding is in place to pay for professional services throughout the Project application process.

Application meetings are required. Project Sponsors must contact NJ CHAMP staff at (609) 219-6581 or (609) 219-8600 to schedule the meeting which may be held either virtually or in person. Project Sponsors will be required to submit a brief description of their Project in advance of the meeting to enable staff to include the appropriate personnel.

After this initial application meeting, status meetings are voluntary and held at the Project Sponsor's request to ensure open communication during the application review process. For first-time Project Sponsors, these meetings are highly encouraged.

C. CONTRACT REVIEW

All projects must undergo a review of the applicable contracts to receive certification from the I-Bank, a prerequisite to qualifying for financing from NJ CHAMP.

ENVIRONMENTAL PLANNING / HISTORIC PRESERVATION

Projects that may impact the environment, including, but not limited to, the construction of communication towers, modification or renovation of existing buildings, structures, and facilities, or new construction including replacement of facilities, must participate in FEMA's Environmental and Historic Preservation ("EHP") review process. Project types that do not require EHP reviews include hazard mitigation planning, building code adoption and enforcement, and zoning and land-use planning. Additionally, for NJ CHAMP Projects receiving financing to cover the federal match requirement for the non-federal cost share of another FEMA grant program, NJ CHAMP will rely on FEMA's EHP review through the applicable grant program. For other eligible hazard mitigation and resilience projects, involving the activities described above, which require an EHP review, NJ CHAMP will utilize FEMA's STORM RLF EHP checklist to gather relevant information and subsequently submit this information to FEMA to conduct the EHP review.

ENGINEERING

Program approval of engineering contracts (if financed through the Program), construction plans and specifications, and construction contracts are required as part of all NJ CHAMP applications.

Project Sponsors are initially required to submit draft engineering contract documents, including:

- Certification that the Project Sponsor has not and shall not enter into any contract with any person debarred/suspended from government contracting
- Certification that the Project Sponsor and its contractors shall comply with anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq. and N.J.S.A. 10:5-31 through 10:5-38, and all rules and regulations promulgated by the State Treasurer, as amended and supplemented from time to time
- Disclosure of Investment Activities in Iran form
- Certification of Non-Involvement in Prohibited Activities in Russia or Belarus form

Project Sponsors are also required to submit draft plans & specifications prepared by a licensed professional engineer that include the following:

- A set of detailed plan drawings including site plan/section/elevation views
- Current NJ prevailing wage rates (N.J.S.A. 34:11-56.25 et seq.)
- Bonding (performance, payment, maintenance as applicable) (N.J.S.A. 40A:2-1 et seq. and N.J.S.A. 40A:3-1 et seq.)
- Competition, brand name or equal unless otherwise justified (N.J.S.A. 40A:11-13(d))
- Equal Employment Opportunity certification form (23 CFR part 230-41 and N.J.A.C . 17:27-1)
- Affidavit of Non-Collusion form (N.J.S.A. 52:34-15)
- Certification of Non-Segregated Facilities form (41 CFR Part 60-1.8)
- Disclosure of Investment Activities in Iran form
- Certification of Non-Involvement in Prohibited Activities in Russia or Belarus form

NJ CHAMP retains the right to request additional information from the Project Sponsor in conducting its review of either a Project’s potential environmental impacts or engineering compliance with governing regulations.

PREVAILING WAGE / PERMITTING

Prevailing Wage. NJ CHAMP borrowers are required to pay not less than the prevailing wage rate to workers employed in the performance of any construction contract pursuant to P.L. 1963, c. 150 (C.34:11-56.25 et seq.) and P.L. 1985 334, s.26 (N.J.S.A. 58:11B-26(b)), as applicable. Project Sponsors will be furnished with relevant provisions to be inserted in contract specifications during the application process.

Permits. NJ CHAMP borrowers are required to obtain all relevant State permits.

CONSTRUCTION CONTRACT ADVERTISEMENT / AWARD

Upon the I-Bank’s approval of the application and technical submissions for each contract as compliant with NJ CHAMP requirements, the I-Bank will authorize the borrower to advertise and award the contract in accordance with the provisions of New Jersey’s Local Public Contracts Law N.J.S.A. 40A:11-1 et seq. Borrowers shall submit construction bids, an official action authorizing the construction award, and an executed construction contract prior to the Effective Date and within 120 days of issuance of the I-Bank’s written communication which authorizes the project sponsor to advertise a contract (“Authorization to Advertise”). Failure to award a construction contract within the timeline as provided in the loan agreement, but in any event no later than the Effective Date, will result in the revocation of the Authorization to Advertise, require the immediate repayment of the loan for such stated contract and render the contract ineligible for NJ CHAMP funding. If a Project is compliant with the requirements of, and has received approval for assistance from, another FEMA Grant program, the I-Bank will rely on the previously obtained approvals, as applicable, in lieu of the review requirements listed in this section above.

D. LOAN CLOSING

INTRODUCTION

Each NJ CHAMP Project Sponsor is required to issue a note or a bond to the I-Bank to evidence and secure its repayment obligation with respect to the I-Bank loan agreement. Each Project Sponsor is required to comply with the I-Bank's credit policy ("Credit Policy") in effect at the time of loan closing. Such conditions are central to the I-Bank's and the NJOEM's ability to meet their fiduciary obligations with respect to the Program in the management of public funds as well as ensuring loan repayment funds are available for future hazard mitigation and resilience Project loans.

LOANS

Each Project financed through NJ CHAMP will receive a loan that can serve to finance (a) environmental planning, (b) design, and (c) construction. Upon the earlier of completion of Project construction or the end of the NJ CHAMP loan construction draw period (as defined below), a repayment schedule will be created and distributed to the borrower that incorporates all principal, interest, and fees due, with a term of the Project's useful life not to exceed the period set forth in N.J.S.A. 58:11B-6(d) from the initial loan closing date.

NJ CHAMP loans finance eligible costs associated with planning, design, construction management, and construction. Loans may close as early as the Project planning phase. After loan closing, during the planning, design and construction phase, the Project Sponsor has up to five (5) full state fiscal years to complete construction of the Project (the "Draw Period"). If a borrower receives a certification from NJOEM that additional time is required to complete the Project, the Draw Period may be extended to no later than the last day of the eighth (8th) full fiscal year after loan closing. During the Draw Period, borrowers are not required to make principal payments and are obligated only to pay accrued interest on amounts disbursed under the loan, as well as any applicable administrative fees.

Upon the earlier of construction completion, as determined by the I-Bank, or the last day of the Draw Period (the Effective Date), repayments of principal and interest on the loan will commence in accordance with a schedule provided to the borrower and made a part of the loan agreement.

Loans may be available upon satisfaction of the following:

- **Receipt of an I-Bank Contract Certification** – I-Bank certification that each of a Project's component contract(s) satisfies Program requirements (e.g., engineering contract certification is a determination that costs associated with Project environmental planning and/or engineering design are eligible for financing, and construction contract certification is a determination by the Program that construction costs are eligible for financing).
- **Submission of an FAF and approval by the Director of the Division of Local Government Services** – While the actual requirements may vary by type of Project Sponsor (i.e., municipal, county or authority), information required in the FAF shall include (i) Project description; (ii) information

pertaining to official action (ordinances and resolutions) and the status thereof; (iii) information regarding the anticipated draw needs with respect to the Project; (iv) litigation disclosure; and (v) Local Finance Board application information.

- **Credit Approval** – All borrowers are required to satisfy the creditworthiness standards in the I-Bank’s [Credit Policy](#) in effect at the time of loan closing.

Upon satisfaction of the above requirements, the I-Bank will contact the Project Sponsor to schedule the loan closing. In connection with the loan closing, the I-Bank will provide the Project Sponsor with the following documents: **i)** the form of loan agreement including a series of Exhibits for attachment thereto that may include but not be limited to, the following: (a) the Project description; (b) the basis for the determination of allowable costs of the Project; (c) the loan disbursement schedule; (d) the Project event schedule, (e) the general administrative requirements; (f) a form of certification regarding lobbying, as well as, a disclosure of lobbying activities form, if applicable; and **ii)** the form of opinion to be rendered by bond counsel and general counsel to the borrower (including, without limitation, opinion points with respect to the enforceability of the loan agreement). In addition to such forms to be completed and submitted by the borrower at closing in the form required by NJ CHAMP, the borrower must provide a certified copy of its official action relating to the authorization of its Project and the execution of the loan agreement.

Upon loan closing, funds are committed for the total estimated Project cost. However, only funds related to contracts that have been certified will be available to draw. For example, upon certification of the planning and design contract, only those funds related to the activities of that contract are available to the Project Sponsor. Additional funds become available to draw upon at the time of certification by the I-Bank of each construction contract.

DISBURSEMENT OF FUNDS

Upon loan closing, NJ CHAMP funds for eligible costs will be disbursed by the I-Bank upon the review and approval of contractor invoices and requisitions. Funds are disbursed to a borrower upon the borrowers’ demonstration that project costs have been incurred. A borrower is not required to demonstrate that it has paid such costs.

Disbursements for Project expenses will be made pursuant to requisitions submitted by borrowers on certified contracts. All interest charges relating to funds drawn during the design and construction phases will be assessed on outstanding requisitioned amounts for the time period such amounts remain outstanding. Interest will accrue at a fixed rate of one percent (1%), consistent with the requirements of the STORM Act and shall be payable on the next payment date.

E. FINANCING

In anticipation of loan closing, construction-ready Projects listed on the PPL (in rank order) will be placed on the Project Eligibility List (“PEL”). To be eligible for long-term financing, Projects must be identified in

an appropriations bill passed by the Legislature and signed into law by the Governor and receive certification from the State Treasurer and approval of the I-Bank Board for the financing.

The principal amount of any NJ CHAMP loan shall be no less than \$150,000 and the maximum Project size shall be limited to the amount, if any, capped in the STORM Act, currently \$5,000,000. Loans bear a fixed interest rate of one percent (1%), consistent with the requirements of the STORM Act. The term of the loan shall be the lesser of the Project's useful life, based on a certification by the borrower's consulting engineer, or the maximum maturity based on loan size. Loans up to \$500,000 are limited to 10 years. Loans greater than \$500,000 and less than or equal to \$1,000,000 are eligible for a maximum term of 15 years. Loans greater than \$1,000,000 are eligible for the maximum term permitted by the STORM Act (e.g., 20 years, or 30 years for projects eligible for extended maturities pursuant to 42 U.S.C. § 5135(m)(5)). NJ CHAMP reserves the right to set a shorter maturity term based upon State or national projections of future hazard risks affecting a Project.

STATE-AID INTERCEPT

The Act authorizes the State Treasurer to intercept State aid to eligible LGUs that fail to meet their debt obligations to the I-Bank and to utilize those funds to satisfy the LGU's debt obligations to the I-Bank.

The I-Bank will employ this State-aid intercept power to intercept funds of any borrower that has defaulted on its I-Bank obligation. Intercepted funds will be applied to make up any repayment deficiencies to the I-Bank. Further, the I-Bank may take other actions to cause the LGU to repay in a timely manner any sums in default pursuant to the terms of the LGU's loan agreement.



Restoration and Flood Mitigation

COVENANTS AFFECTING THE LOCAL UNIT

The NJ CHAMP loan agreements and other collateral securing such loan agreements must be legally valid and binding obligations of the borrower or LGU. Borrower bond counsel is required to provide the I-Bank with opinions that such obligations are legally binding and valid.

Consequently, each borrower must be able to make certain representations concerning its status. Ordinances and resolutions of the governing body must be in place to establish that the borrower has the legal right and authority to undertake the Project, and own, operate and appropriately maintain the Project or, in the case of NJ CHAMP funds being utilized by a conduit entity (e.g., home owner project with municipal borrower), be responsible for ensuring compliance with the covenants under the loan agreement. The borrower will need to certify that no undisclosed fact or event, and no pending litigation, will materially adversely affect the borrower, the Project, or the ability to make timely loan repayments.

The I-Bank may impose additional covenants on certain borrowers to address unique circumstances.

TERMS OF REPAYMENT

Interest begins accruing on the I-Bank's loan when such monies are requisitioned and paid to the Project Sponsor. Interest payments commence on the next subsequent payment date following the payment period in which the first requisition payment has been disbursed. Principal repayments commence upon the Effective Date. The principal of a loan will include all funds drawn for expenses which have not otherwise been repaid.

Other repayment terms include:

- A level annual repayment schedule for the loan, with interest, principal and fees payable in semi-annual installments.
- The Project Loan Origination Fee - Program borrowers are charged a loan origination fee equal to a flat two-percent (2%) of the Project cost for the work and expense of reviewing Project Applications and disbursing funds. The fee is divided and due in part (i) on the next subsequent payment date following the disbursement of funds for the first requisition and (ii) the second payment date after the Effective Date. This second payment is adjusted to reflect the final Project cost.
- The Administrative Fee – An annual administrative fee of 0.17% of the total loan amount shall be paid semiannually for the term of the loan commencing on the next subsequent payment date following the disbursement of funds for the first requisition.
- Any overdue payments shall incur a late charge, the greater of 12% per annum, or 0.50% above the prime rate, on the outstanding loan balance calculated from the due date until such date that a borrower's loan payment is received in-full, inclusive of fees.

The loan agreements may also provide borrowers with an option to prepay loan obligations without penalty. Prepayment of the I-Bank loan requires written notice to the I-Bank pursuant to the terms of the loan agreement and written approval from the I-Bank of such prepayment. I-Bank loan prepayments, at a

minimum, must satisfy the payment in-full of accrued interest (if applicable), and principal through the prospective payment date for which the prepayment is to be credited and any fees incurred by the Program to execute such prepayment. In addition, whether or not a prepayment is involved, any modification of the local government bond securing the I-Bank loan requires prior, written approval of the I-Bank.

DEFAULT

The loan agreements will define an event of default as any one of the following:

1. failure by the borrower to pay, or cause to be paid, any loan repayment required to be paid when due, on time and in full;
2. the failure to make timely payment of an administrative fee or late fee;
3. any representation by the borrower that is false and misleading in any material respect;
4. the filing by or against a borrower of any petition under bankruptcy, insolvency or other similar law;
5. the general failure of the borrower to pay its debts when due (i.e., cross defaults); and
6. the failure to observe or perform any other duties, obligations or responsibilities required for participation in NJ CHAMP.

With respect to the events of default specified in (6), the I-Bank may provide relief for up to 120 days if the borrower can represent that the failure to observe or perform is correctable and in process within that time frame. In addition, default may be averted if a petition of bankruptcy or insolvency is dismissed without prospects for appeal.

In an event of payment default, the I-Bank may accelerate the loan, and in the event of any default, the I-Bank may elect to take whatever action at law or in equity it deems necessary or direct the Trustee to pursue these remedies.

F. FEES

Loan Origination Fee

A loan origination fee in the amount of 2% of the final total Project cost is charged to all borrowers. This non-refundable Loan Origination Fee offsets the cost of preparing the Project for financing including design review services, requisition review and fund disbursement, site inspection services, legal fees, credit review and modeling, document processing and administrative services provided by the staff and consultants of NJ CHAMP on behalf of a borrower in connection with, and as a condition precedent to, the inclusion of the borrower's Project in the Program. The Loan Origination Fee is paid in two installments (see Section E, Terms of Repayment).

Administrative Fee (Loan Servicing Fee)

A separate loan servicing fee in the amount of 0.17% per annum of the total loan amount is payable semi-annually to the I-Bank throughout the term of the loan to offset the I-Bank's ongoing loan servicing efforts. Up to 0.02% of the total original loan amount collected as the Administrative Fee may be set aside and dedicated to assist eligible projects pursuant to 42 U.S.C. § 5135(m)(5) with early technical assistance, which includes, but is not limited to, technical assistance and operating expertise, and public engagement services and community education, as well as any other form of aid to develop and support the success of financing capital projects through the Program.

Event of Default Fees and Expenses

The borrower is charged reasonable fees, including attorney fees, a two percent (2%) interest rate default penalty, and other expenses incurred in the collection of repayments or any other sum due or the enforcement of the performance of any duties, covenants, obligations, or agreements of the borrower under the loan agreement. The hourly cost of professional services is set forth in agreements between the I-Bank and its professional advisors.

Engineering Costs

To the extent that consulting engineers are used by the Program for application review or construction management for a borrower's Project, such costs may be charged to the borrower. The borrower's Loan Origination Fee discussed previously will be reduced to offset any such charge. The hourly cost of such services will be set forth in agreements between the I-Bank and its consulting engineers.

III. APPENDICES

SFY2026 NJ CHAMP Financing Program Project Eligibility List

A

SFY2027 Operating Budget

B

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APPENDIX A

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Appendix A

New Jersey Community Hazard Assistance Mitigation Program

SFY2027 Project Eligibility List

Priority List Rank	Applicant	Project No.	Estimated Total Project Amount	Estimated Total Loan Amount	Project Description
10	Jersey City	RB0906-001	\$ 5,053,524	\$ 1,360,000	McGovern Park Resilience
20	Brigantine City	RB0103-001	\$ 2,555,000	\$ 2,555,000	Golf Course Drive Living Shoreline
28	Highlands Borough	RB1319-001	\$ 16,205,280	\$ 4,413,000	Highlands and Monmouth Hills Flood Mitigation and Green Infrastructure
37	Manasquan Borough	RB1329-001	\$ 4,765,000	\$ 4,765,000	Save the Shore
	Total Projects: 4		\$ 28,578,804	\$ 13,093,000	

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APPENDIX B

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Appendix B

SFY2027 Budget

NEW JERSEY INFRASTRUCTURE BANK										
July 1, 2026 to June 30, 2027										
		Water		Trans		CHAMP		Combined		Difference
REVENUES		2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	Change
Annual Admin Fee Direct Loans		25,328	24,321	82,265	89,339	-	0	96,136	113,660	17,523
2027 Trans and CHAMP Admin Fees				29,023	24,968	2,900	1,598	31,923	26,566	(5,357)
Annual Admin Fees		6,430,660	6,346,372	111,288	114,307	2,900	1,598	6,544,848	6,462,277	(82,571)
Transportation Origination Fee LT and ST				1,212,000	649,000	-	-	1,212,000	649,000	(563,000)
Unrestricted Admin Fee Total =		6,430,660	6,346,372	1,323,288	763,307	2,900	1,598	7,756,848	7,111,277	(645,571)
INTEREST INCOME / ONE-TIME FEES	Loan Surcharge Total	730,084	291,000	11,600	4,050	0	0	741,684	295,050	(446,634)
	Short-Term Loan Interest Income	3,235,313	3,707,400	98,413	129,630	-	-	3,333,726	3,837,030	503,305
	Direct Long-Term Loans Interest Income	271,791	203,045	1,207,555	1,222,669	-	-	1,479,346	1,425,714	(53,631)
	Net Earnings Credits From Bond Maturities / BRIC	84,530	273,102	-	0	-	-	84,530	273,102	188,572
	Investment Interest Income:	822,500	770,088	3,880,187	4,098,714	5,113	2,492	4,707,800	4,871,294	163,494
	State Appropriations & RLF Reimbursements	-	0	2,600,000	1,600,000	239,399	212,281	2,839,399	1,812,281	(1,027,119)
	Other Income Total =	4,414,133	4,953,635	7,786,155	7,051,014	244,512	214,773	12,444,801	12,219,421	(225,380)
TOTAL REVENUES =		11,574,878	11,591,007	9,121,043	7,818,370	247,412	216,370	20,943,333	19,625,748	(1,317,585)
EXPENSES		2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	Change
FINANCING PROGRAMS	Bond Counsel									
	- Bond/Loan Issuance Costs	823,130	946,680	171,600	120,000	-	-	994,730	1,066,680	71,950
	- Program / Development Charges (M&E, CSG)	307,130	195,695	68,112	91,450	60,000	60,000	435,242	347,145	(88,097)
	B.C. Total =	1,130,260	1,142,375	239,712	211,450	60,000	60,000	1,429,972	1,413,825	(16,147)
	Financial Advisor									
	- Bond/Loan Issuance Costs (PFM, Hilltop)	240,000	182,000	77,500	65,000	-	-	317,500	247,000	(70,500)
	- Program / Development Charges (PFM, Hilltop)	125,000	125,000	40,000	44,000	-	-	165,000	169,000	4,000
	F.A. Total =	365,000	307,000	117,500	109,000	0	0	482,500	416,000	(66,500)
	Short Term Borrowing - Fees and Interest	832,500	770,000	-	-	-	-	832,500	770,000	(62,500)
	Third Party Program Expenses	327,828	332,419	20,663	22,905	21	11	348,512	355,335	6,823
Rating Service (ST & Bond Programs)	496,839	609,645	15,391	14,055	-	-	512,230	623,700	111,470	
TOTAL FINANCING PROGRAM EXPENSES =		3,152,428	3,161,439	393,266	357,410	60,021	60,011	3,605,715	3,578,860	(26,855)
NJIB OPERATIONS	Total Salaries & Fringe (Original)	3,779,609	4,372,281	1,495,314	1,338,698	139,143	107,746	5,414,065	5,818,725	404,659
	a. FTE Salaries (Original)	2,631,933	2,727,682	1,041,505	919,150	96,392	79,537	3,769,831	3,726,369	(43,462)
	b. Fringe	1,147,676	1,644,599	453,809	419,548	42,750	28,209	1,644,234	2,092,356	448,122
	H.R. (HRIS+Payroll Svcs, Train, Memberships, Recruit)	27,927	26,425	11,043	8,917	1,040	758	40,010	36,100	(3,910)
	I.T. Expenses (Hardware, Software, Online Services)	464,296	549,851	183,590	185,537	17,295	15,774	665,180	751,163	85,982
	Admin - Gen'l & Facilities	189,621	169,178	74,979	57,086	7,064	4,853	271,664	231,117	(40,547)
	Investment Advisor (PFM-AM)	111,086	116,569	77,760	88,224	-	-	188,846	204,793	15,947
	Auditor - NJIB Financials & CWDW	73,579	77,922	11,206	10,418	1,056	886	85,840	89,227	3,387
	Internal / SOC Audit	69,800	73,200	27,600	24,700	2,600	2,100	100,000	100,000	-
	State Liason Charges (AG/GAU)	131,688	186,767	55,700	132,756	14,577	19,993	201,966	339,515	137,550
	Reports, Publications, Conferences & Marketing	56,837	63,629	18,092	21,470	1,406	1,825	76,335	86,925	10,590
	Depreciation (Other: IT, Furniture, etc) & Vehicle	33,652	27,547	15,283	10,999	1,391	985	50,326	39,531	(10,795)
	Board Member Expense (Bond + misc)	48,860	50,142	19,320	16,920	1,820	1,439	70,000	68,500	(1,500)
	TOTAL OPERATING EXPENSES =		4,986,954	5,713,512	1,989,887	1,895,725	187,391	156,359	7,164,232	7,765,596
TOTAL EXPENDITURES =		8,139,382	8,874,951	2,383,152	2,253,135	247,412	216,370	10,769,947	11,344,456	574,509
Non-Cash Charge for Net Pension/ OPEB Liability Change <small>(Estimated)</small>		(496,123)	(506,588)	(99,447)	(90,416)	(4,429)	(2,996)	(600,000)	(600,000)	-
Net Unencumbered Contingencies (for Direct Loans, etc.)		\$ 2,939,372	\$ 2,209,468	\$ 6,638,443	\$ 5,474,815	\$ (4,429)	\$ (2,996)	\$ 9,573,386	\$ 7,681,292	\$ (1,892,094)
SET-ASIDES:		Water		Trans		CHAMP				
		2026	Draft 2027	2026	Draft 2027	2026	Draft 2027			
Transportation Bank P&D PF Set-Aside (Available Funds)		N/A	N/A	\$ (400,000)	\$ (2,400,000)	N/A	N/A			
2 bps. T/A Set-Aside -										
From New L-T Loans:		\$ 133,433	\$ 127,722	\$ 3,870	\$ 3,329	\$ 387	\$ 213			
From Prior Year L-T Loans:		\$ 118,131	\$ 384,647	\$ 4,174	\$ 5,443	\$ -	\$ -			
2 bps. T/A Set Aside (Total Available Funds):		\$ 251,565	\$ 512,369	\$ 8,044	\$ 8,772	\$ 387	\$ 213			

NEW JERSEY INFRASTRUCTURE BANK

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