

Governor Phil Murphy

Governor Murphy Announces Foreclosure Prevention Funding to Support New Jersey Communities and Residents

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TRENTON – Today, Governor Phil Murphy announced that \$10 million in funding from the federal American Rescue Plan Act of 2021 (ARPA) will be allocated to support New Jersey's Foreclosure Prevention Act (P.L. 2021, c.34) program administered by the New Jersey Housing and Mortgage Finance Agency (NJHMFA). NJHMFA will use these funds to stabilize communities through supportive homeowner interventions and vacancy rehabilitation and sale, stemming the loss of single-family homes to rental property investment firms.

"The Foreclosure Prevention Act was more than a decade in the making. My administration is proud to have signed this landmark legislation adding to our state's capacity to address the concerns of current New Jersey homeowners and future homebuyers," **said New Jersey Governor Philip D. Murphy**. "Today's funding will permit this program to launch at scale and continue to grow."

Following the 2008 financial crisis, New Jersey's single-family residential market was decimated, with many properties purchased by investors for rental purposes, reducing the stock of affordable single-family homes. Nationwide, the financial impact of COVID-19 on homeowners may lead to a similar – if not greater – loss of single-family homes.

"Home ownership is the foundation for building intergenerational wealth and provides people long-term financial, mental and physical stability," **said Lt. Governor Sheila Oliver, who serves as Commissioner of the Department of Community Affairs and NJHMFA board chair**. "This legislation and ensuing program administered by NJHMFA will improve New Jersey communities by rehabilitating blighted or abandoned single-family properties while helping residents attain the dream of owning their own home."

"Helping homebuyers compete in this environment is imperative to long-term economic stability for New Jersey families and communities," **said NJHMFA Executive Director Melanie R. Walter**. "This seed funding will help us play a key role in stabilizing the affordable single-family home market for New Jersey homeowners and homebuyers."

The Murphy administration anticipates using these funds to purchase non-performing mortgage notes from the FHA prior to foreclosure proceedings. If the homeowner occupies the property, efforts will be made to assist the homeowner. If the property has been abandoned, steps will be taken to obtain title, complete any required rehabilitation, and return the home to the single-family market.

"We have made great strides to address the previous foreclosure crisis in New Jersey and we do not want history to repeat itself," **said Senator Troy Singleton**, who championed New Jersey's sweeping foreclosure reform laws in 2019. "I applaud Governor Murphy for utilizing available federal dollars to fund the 'Foreclosure Prevention Act.' This will keep as many families as possible in their existing homes, which will prevent a tidal wave of new foreclosures and even homelessness."

"The threat of imminent foreclosure is one of the most daunting financial challenges a family will ever face. The upheaval and disruption can cause irreversible damage. The Governor's infusion of American Rescue Funds into the NJHMFA's Mortgage Foreclosure Prevention Program will stabilize this critically important initiative, thereby enabling the agency to continue to provide much needed assistance to families in dire financial straits. It also stabilizes neighborhoods by preventing the eyesore of vacant and abandoned building that depreciate home values. I commend Gov. Murphy for his understanding of the need for all New Jerseyans to have a safe affordable place to call home and the action he has taken today to promote this cause," **said Assemblywoman Mila Jasey**, the lead sponsor of the law creating the program.

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