

HOUSING NEEDS AND OPPORTUNITIES IN NEW JERSEY CITIES:

REPORT OF THE COMMISSION OF THE NEW JERSEY GENERAL ASSEMBLY
TO STUDY THE AVAILABILITY OF ADEQUATE HOUSING IN NEW JERSEY
WITH PARTICULAR EMPHASIS ON URBAN HOUSING OPPORTUNITIES

(pursuant to Assembly Resolution Number 23 of 1978)

DECEMBER 26, 1978



MEMBERS OF THE ASSEMBLY HOUSING COMMISSION:

Assemblyman Peter Shapiro, Chairman
Assemblyman William L. Gormley
Assemblyman Charles Mays, Sr.
Assemblyman Emil Olszowy

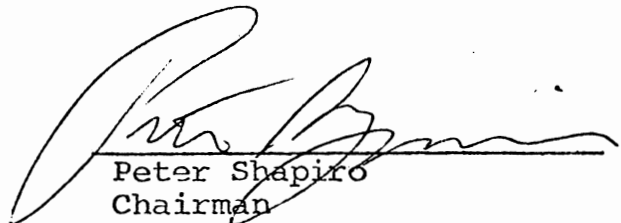
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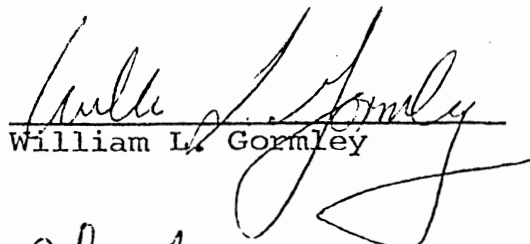
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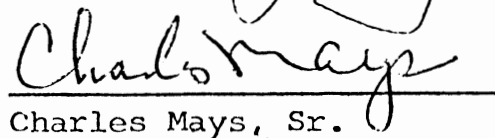
The Honorable Members of the General Assembly of the State
of New Jersey,

Ladies and Gentlemen:

The Commission to study the availability of adequate
housing in New Jersey with particular emphasis on urban housing
opportunities, created pursuant to Assembly Resolution Number
23 of 1978, herewith respectfully submits its report in compliance
with the terms of the resolution.


Peter Shapiro
Chairman


William L. Gormley


Charles Mays, Sr.

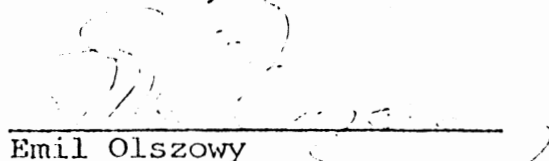

Emil Olszowy

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INTRODUCTION

Pursuant to Assembly Resolution 23 of 1978*, the General Assembly established this Commission and directed it to study the New Jersey housing market with particular concern for the availability of housing in cities, and for the impact of State law and policies on housing opportunities. In addition, the Commission was asked to make recommendations regarding the rehabilitation of existing housing, the construction of new housing, and the tenants' rights in the relocation process.

The Commission began its work in June; public hearings were held July 26, in Newark; August 2, in Atlantic City; August 9, in Jersey City; and, August 10, in Hoboken. These cities were chosen because one or more members of the Commission were familiar with the housing situation in those cities, and with the business, landlord, tenant and community organizations which could provide the Commission with balanced testimony. Additionally, while these cities were representative of a broad spectrum of densely populated urban areas throughout the State, they also commanded special attention: Newark, with 373,000 people, is a major commercial center and largest city in the State; Jersey City, our second largest municipality, is a major Hudson River industrial port; Hoboken, a small city (population 46,000), hard-hit by the closing of some of its largest factories, is in the process of renewing itself and is winning national recognition for its efforts to rehabilitate slum dwellings; and Atlantic City, with 40,000 people, and for years a depressed resort community with a declining population, is making a comeback with the advent of casino gambling.

*AR 23 passed in the General Assembly, by voice vote, on February 27, 1978; the Commission membership was fully constituted on April 12, 1978. See Appendix A.

At each of the hearings, witnesses offered testimony relevant to the broad range of concerns cited in Assembly Resolution 23. This Commission believes that the four volume transcript of those hearings should prove to be a major source of information on urban housing conditions in this State for several years to come.

The Atlantic City and Hoboken hearings focused primarily on tenant relocation problems. In Atlantic City, a large number of elderly tenants turned out to protest pending evictions from their apartment houses, which were to be converted to hotels. At the Hoboken hearing, a large number of people was bitterly divided over the justice of wholesale tenant evictions and an alleged highly selective tenant admission policy which had enabled Applied Housing Associates to rehabilitate, and then successfully operate, some 1000 units of multi-family housing in that city. While the resolution of local landlord/tenant disputes was decidedly beyond the scope of this Commission, the Atlantic City and Hoboken hearings did serve to highlight the enormously complex tenant dislocation question.

There is no systematic State policy dealing with tenant dislocation. The "State Relocation Assistance Law of 1967," P.L. 1967, c.79 (C.52:31B-1 et seq.) and the "Relocation Assistance Act," P.L. 1971, c.362 (C.20:4-1 et seq.), both limited to dislocation arising from governmental activities, have never been adequately funded. The need for relocation assistance is real and the Commission believes that the Legislature should look favorably upon a request from the Department of Community Affairs for an increased appropriation in this area. The Commission further believes that the Department of Community Affairs owes the State a systematic review of the

dislocation problem in all its aspects, ranging from provisions for emergency housing, to dislocations arising from housing code enforcement, "comprehensive" rehabilitation, or building conversion.

Another area of concern to the Commission is the apparent lack of funds available for financing new housing and for the rehabilitation of old dwellings in the central cities. An anti-redlining law (P.L. 1977, c.1;C.17:16F-2) was enacted into law last year to open the flow of mortgage money to the central city. Testimony from the Department of Public Advocate and the Department of Banking representatives suggests that this law is seriously deficient in several respects. (See Vol.1, pp.36-39;42-45).

Major commercial lending institutions now make some loans to areas previously redlined, but have failed to increase the flow of funds to any substantial degree particularly to multi-family dwellings. The lending institutions explain this failure on the grounds that there is only a very limited demand for refinancing in the central city. However, the Department of Banking indicates that loan officers eliminate hard evidence of demand by discouraging potential borrowers from submitting written applications for loans (Vol.1, pp. 42-45). Oral requests for loans need not be reported. Of particular concern is that lending institutions refuse to consider loans on multi-family dwellings. While the refinancing of these smaller apartment houses (which constitute a substantial portion of the housing stock of our central cities) is riskier than making loans on single-family housing, the risk does not justify what appears to be a near blanket prohibition on the refinancing of such dwellings. The results of this prohibition may prove to be disastrous, since the disintegration

of a neighborhood may well commence with the descent from disrepair to abandonment of the apartment buildings it contains.

While the Commission recommends certain amendments to rectify deficiencies in the anti-redlining law, it recognizes that strengthening this law, while useful, will not in itself increase the flow of mortgage funds to multi-family dwellings to satisfactory levels. Therefore, the Commission also recommends that the Department of Community Affairs, in cooperation with the New Jersey Mortgage Finance Agency, proceed with efforts to create a mechanism for providing below market interest rate refinancing of small multi-family and mixed use residential and commercial properties.

Because the Commission was obliged to hold public hearings and complete its work within a relatively short period of time, the scope of its report is necessarily limited. Certain basic issues remain to be explored in greater detail: e.g., housing insurance costs in the inner city; the utility of tax rebates as an incentive to urban housing rehabilitation; the federal role in state housing programs; and, the effect of rent control ordinances on multi-family housing production. Because these issues are of critical importance, the Commission recommends that the Assembly Municipal Government Committee and the Senate County and Municipal Government Committee establish a joint subcommittee to monitor housing problems in this State on a permanent basis.

Notwithstanding the Commission's concentration on the acute housing problems of cities, the members were reminded during Commission hearings that housing needs are regional and that cities and their suburbs must cooperate if the housing needs of this State are to be met. Cities and older fully developed

suburbs should provide for the rehabilitation or replacement of their existing deteriorating or dilapidated housing stock; and developing municipalities (i.e., those with a substantial amount of open space) must put an end to exclusionary zoning, which has forced the cities to bear the disproportionate share of the cost of housing the poor.

While the Commission expresses gratification at the enthusiasm which greeted its efforts to conduct this limited study of housing in New Jersey, reality dictates a recognition of the enormity and complexity of the housing problems of this State, and of the tremendous commitment of effort and resources that will be necessary to resolve them. Able men and women, and genuinely committed local, State and federal governments, have grappled with these problems for years only to suffer the frustration of defeat and the futility of recognizing that these problems today in some ways appear both more serious and more intractable than ever before. Within recent memory, respectable professional planners with estimable credentials and qualifications held that if only the population densities of the cities could be reduced, and if only the poor could be provided with light, airy, sanitary dwellings, then the housing problem could be resolved. We are now confronting a dramatic decline in urban population densities only to discover that such a decline, with its resulting abandonment of housing, may pose far greater problems than were ever presented by overcrowding. And we have seen newly constructed light, airy, sanitary buildings turn into festering slums seemingly almost overnight.

Local, state and federal governments, nevertheless, have an obligation to upgrade our urban housing stock. To fail to do so, would invite the spread of blight, which threatens to make our

cities wastelands and which in time would infect many suburbs as well. A successful housing program, however, will fail to achieve its purposes and will simply waste limited public money unless it is part of a comprehensive program including a broad range of activities to maintain essential police, fire, sanitation, education and public health services in the cities, and innovative, effective measures to alleviate the social ills, particularly unemployment, which so demoralize city residents.

In offering this report to the Legislature, the individual members of the Commission pledge to continue to work for the improvement of housing in this State.

The Commission wishes to take this opportunity to acknowledge the assistance it has received during this study from the Department of Community Affairs, the Department of Banking, the Department of Public Advocate, the New Jersey Housing Finance Agency, and the New Jersey Mortgage Finance Agency. The Commission also wishes to thank John Fearey of Rutgers University Law School (Newark) and James L. Wunsch of the Division of Legislative Services Agency for their assistance.

SUMMARY OF RECOMMENDATIONS

The Assembly Commission to study the availability of adequate housing in New Jersey with particular emphasis on urban housing opportunities, respectfully recommends the following for consideration by the Legislature:

1. That the flow of mortgage funding to inner city areas be increased through a strengthening of the "anti-redlining law", P.L. 1977, c.1(C.17:16F-2). See page 22 and Appendix, page 40.
2. That the Department of Community Affairs proceed with its efforts to create a mechanism for providing below market interest rate refinancing of small multi-family and mixed use residential and commercial properties.
3. That the level of State funding for relocation assistance, (pursuant to P.L. 1967, c.79 and P.L. 1971, c.362) be increased, especially to stimulate greater local participation in the State/Local Cooperative Housing Inspection program.
4. That the Department of Community Affairs and the New Jersey Mortgage Finance Agency, in conjunction with private non-profit organizations, investigate the utility of "moderate" rehabilitation efforts which minimize dislocation problems.
5. That the Department of Community Affairs review all facets of the tenant relocation assistance problem, giving special consideration to the establishment of an emergency housing facilities demonstration project.
6. That the Legislature memorialize the U.S. Department of Housing and Urban Development to reconsider its policy barring Federal funds for relocation assistance for Section 8 rehabilitation housing projects.
7. That the New Jersey Housing Finance Agency broaden its operations to include the rehabilitation of more multi-family housing.
8. That the Department of Community Affairs expand its Neighborhood Preservation Program which targets rehabilitation funds to particular neighborhoods.
9. That the Legislature memorialize the U.S. Department of Housing and Urban Development to restore the New Jersey Housing Finance Agency's Section 8 allotment to last year's level, and to promulgate fair market rents sufficient to permit the financing of Section 8 housing for families.

10. That the Assembly Municipal Government Committee and the Senate County and Municipal Government Committee establish a joint subcommittee to monitor the housing problems of New Jersey on a permanent basis.

I. The Urban Housing Need

According to the 1970 census, there were 2.3 million dwelling units in the State of New Jersey, of which 45% were 40 years or older. Housing in the most densely populated counties was considerably older than the State average. In Essex, 63% of the housing was built before 1939; in Hudson County the figure was 77%. Old housing, with proper maintenance, need not become substandard. Thousands of homeowners throughout the State, most without any governmental assistance, are continually engaged in the process of maintaining or improving their dwellings. According to one authority conducting a survey of the dozen largest metropolitan areas, "more than half of the substandard units of 1950 that were surveyed in 1959 had been put into sound condition through repairs or plumbing additions." (Bernard J. Frieden, The Future of Old Neighborhoods quoted in George Sternlieb, The Tenement Landlord, New Brunswick, Rutgers University Press, 1969, p.4.)

Unfortunately, this extensive rehabilitation process has failed to keep pace with the decline of New Jersey's housing stock. A 1975 estimate by the Governor's Commission to Evaluate Capital Needs stated that as many as 50,000 units of housing fall into complete disrepair, are abandoned or destroyed by fire each year. The abandonment of dilapidated housing may, of course, be a healthy sign that the former inhabitants of slum dwellings are moving into better structures, and this has, in fact, happened in certain instances. However, in order for this healthy sign to be realized, sufficient new housing units must be produced to replace those which have been destroyed or abandoned, and to meet the needs of newly formed households. If these

units are not produced then not only will dilapidated and abandoned housing continue to blight the neighborhoods in which such units are located, but also the continued strength and vitality of the neighborhoods into which former slum inhabitants move will be threatened, as the vicious cycle of disrepair, dilapidation and ultimate abandonment perpetuates itself.

Between 1970 and 1978 the State produced an average of 40,689 units annually, which, by the Department of Community Affairs estimates, is almost 60,000 units short of what should be produced to meet State needs.

The housing shortage is particularly severe in our larger cities where housing which falls into disrepair may be abandoned by landlords who lack either the capital or the incentive to make the needed repairs. (See George Sternlieb, and Robert W. Burchell. Residential Abandonment. The Tenement Landlord Revisited. New Brunswick, the Center for Urban Policy Research, 1973). Since 1970 the City of Newark has been demolishing from 422 to 1,690 units of housing a year and yet, despite this level of activity, there remain hundreds of dilapidated structures which ought to be demolished because they constitute a menace to health and safety. (See Table I).

While more and more structures are falling into disrepair and being abandoned in the cities, there is a drastic falling off in the construction of new multi-family housing structures (5 units or more).

Between 1970 and 1973, multi-family units represented from 41% to 48% of the total new housing production of the State; from 1974 to 1977, 35%; and in 1977, 25%. (See Table II). Even the very small 1977 multi-family housing production rate could not have been achieved without significant assistance from the public sector.

In 1977, the New Jersey Housing Finance Agency financed all privately owned multi-family housing units started in Trenton; and the majority of multi-family units in Newark, Jersey City, and Paterson.

The effect of the abandonment or destruction of multi-family housing caused by the elimination of essential maintenance in the absence of an economic incentive, coupled with the failure to produce new units, was to send rents sky-rocketing in cities like Newark, where 75% of the housing is multi-family. While personal income in metropolitan Newark rose by 27% from 1970 to 1975, rents increased by 38%. In the Paterson/Clifton/Passaic area, personal income rose by 33% from 1970 to 1975, while rents increased by 59%. In Newark, the percentage of families paying over 25% of their incomes for rent rose from 38.6% in 1970, to 43.5% in 1974. Meanwhile, the suburban single family house was becoming difficult to acquire for inner city residents. The cost of a medium priced house in 1970 was \$23,400; in 1976 it was \$48,000.

What these figures strongly suggest is that inner city residents, particularly blacks and Hispanics, are confronting significantly increased costs for incrementally deteriorated housing in neighborhoods experiencing advanced blight, while escape to the suburbs is precluded by the even greater increases in housing costs experienced in these areas. Faced with these facts, it is hardly surprising that the emotion most frequently exhibited by inner city residents in discussing their housing problems, is despair. (See Tables III-V)

TABLE I

Demolition of Housing Units in the City of Newark; 1970-77

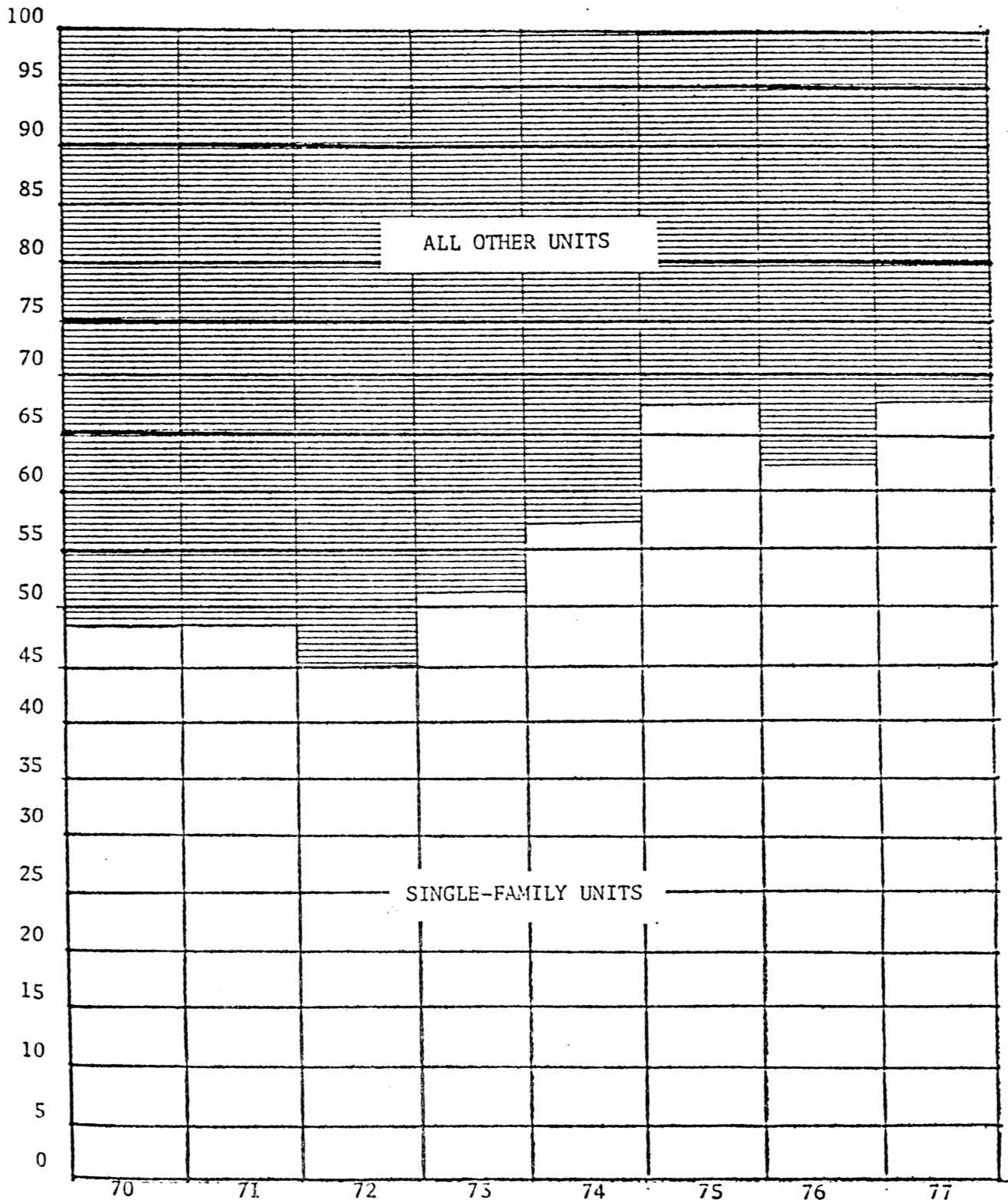
<u>YEAR</u>	<u>UNITS</u>
1970	1,181
1971	731
1972	1,690
1973	788
1974	599
1975	1,067
1976	422
1977	523

Courtesy of the Department of Community Affairs

TABLE II

Percentage of single-family units compared with the percentage of all other units authorized by building permits in New Jersey

1970-1977



Source: New Jersey Department of Labor and Industry, Office of Business Economics

TABLE III

Overcrowded Owner and Renter Occupied Units, by Head of Household and as a Percent of All Owner and Renter Occupied Units by Head of Households: 1970.

<u>Households</u>	<u>Owner</u>	<u>Percent</u>	<u>Renter</u>	<u>Percent</u>
State	78,698	5.8	93,955	10.8
White & Other Races	64,224	5.0	51,188	7.1
Black	13,472	18.6	36,920	25.8
Hispanic	1,002	19.1	5,847	26.6
Elderly	2,390	1.0	2,712	1.7
Female Headed	4,468	2.7	22,665	11.9

Source: U.S. Census of Housing, 1970

Renter Households Paying 25% or More of Their Income
for Rent; and as a Percent of all Renter Occupied Units by
Head of Household: 1970

<u>Households</u>	<u>Renter Units</u>	<u>Percent of Total</u>
State	448,145	51.6
White and Other Races	329,354	46.0
Black	109,726	76.5
Hispanic	9,065	41.2
Elderly	139,034	85.9
Female Headed	101,706	53.5

Source: U.S. Census of Housing: 1970

Cost of Housing

When analyzing the data for renter occupied units, it was found that a large number of renter households in the State pay a substantial portion of their income for rent.

Using an accepted standard, it was found that fifty-two percent of New Jersey's renter households paid one-quarter or more of their income for rent in 1970. The rate for elderly households was greater than the State as a whole and the other special household groups. It can be said that most of these households are concentrated in the lower income ranges.

Dilapidated Owner and Renter Occupied Units,
by Head of Households; as a Percent of all
Owner and Renter Occupied Units; by Head of
Household and Percent Change: 1960-1970.

<u>Households</u>	<u>OWNER UNITS</u>		<u>Percent Change 1960-1970</u>
	<u>1960</u>	<u>1970</u>	
State	8,642(0.8%)	30,335(2.2%)	+251.0
White & Other Races	6,672(0.6%)	20,772(1.6%)	+211.3
Black	1,970(4.4%)	9,563(13.2%)	+385.4
Hispanic	NA	NA	-
Elderly	NA	NA	-
Female Headed	NA	NA	-

<u>Households</u>	<u>RENTER UNITS</u>		<u>Percent Change 1960-1970</u>
	<u>1960</u>	<u>1970</u>	
State	17,692(2.5%)	53,659(6.2%)	+203.3
White & Other Races	10,233 (1.7%)	35,042(4.9%)	+242.4
Black	7,459(8.3%)	18,617(13.0%)	+149.6
Hispanic	NA	NA	-
Elderly	NA	NA	-
Female Headed	NA	NA	-

Source: U.S. Census of Housing: 1960-1970

II. Housing Finance in New Jersey

Housing in the urban areas of this State is financed by the New Jersey Housing Finance Agency, the New Jersey Mortgage Finance Agency, the Department of Community Affairs, and the private sector.

a. The New Jersey Housing Finance Agency

Chapter 81 of the Laws of 1967 (C.55:14J-1 et seq.) created the New Jersey Housing Finance Agency, "in but not of" the Department of Community Affairs. The HFA consists of a five member board: the Commissioner of the Department of Community Affairs (chairman of HFA), the State Attorney General, the State Treasurer, and two public members appointed by the Governor. The agency is empowered to issue tax-exempt revenue bonds to finance the construction or rehabilitation of "safe and adequate housing for families of moderate income."

While there is no statutory limit as to the size or number of developments the agency can finance, the bond market effectively limits the types of projects which HFA can undertake. Interest rates on HFA bonds are a function of the perceived risk for the projects for which money is being raised. HFA bonds can be sold only because almost all HFA projects have received Federal subsidies under the Federal 236 reduced mortgage interest rate program or the Section 8 rental assistance program. Since 1967, the HFA has provided for the financing of 25,000 low and moderate income housing units, making it the most successful such agency in the nation. Although HFA has demonstrated an ability to produce in excess of 5,000 units per year, the U. S. Department of Housing and Urban Development has reduced HFA's section 8 allotment from 3,300 units in 1977 to 1,230 units in 1978-- and this at a

time when senior citizens are waiting three years or more to gain admission to the desirable HFA projects. The Commission calls upon the Legislature to memorialize HUD to increase HFA's Section 8 allotment, at least to last year's level.

In recent years there has been a conspicuous absence of HFA financed units suitable for families (as opposed to senior citizens). HFA spokesmen suggest that the inability of the agency to produce family units is not due to agency policy, but rather to the unfortunate federal "fair market rent" formula upon which the section 8 subsidy is based. The "fair market rent" is the maximum rent allowed under section 8 for a particular geographical area. The section 8 subsidy constitutes the difference between the HUD established fair market rent and between 15% and 25% of the tenants annual income.

In testimony before the Manpower and Housing Subcommittees of the House Committee on Government Operations in Newark on February 24, 1978, William L. Johnston, Executive Director of the HFA, outlined the problem of Fair Market Rents:

A key problem in the Section 8 program has been the levels of the HUD-published Fair Market Rents (FMRs). FMRs are divided into unit-type categories such as one-two-three four bedroom units in elevator, garden apartment and townhouse structures. The FMRs published in the Federal Register are for family occupancy (that is, garden apartments and townhouses) while a five percent increase over these published FMRs is automatically granted for senior citizen occupancy (that is, especially designed elevator buildings).

This, in my opinion, is just the opposite of what it should be. Family units are typically more expensive to build and operate than elderly units. The FMRs for elderly units -- it makes no real sense, in a cost or market approach, to relate these two occupancy groups by means of a fixed percentage. We suggest that the committee consider recommending the adoption of separate FMR schedules each for family and elderly FMRs and further, that family FMRs be given special cost considerations commensurate with the large main-

tenance and management expenses involved in properly operating family developments which typically contain large numbers of small children.

This problem while simple and statistical in nature, has severely hampered the Agency's efforts to produce family housing under the Section 8 program and has raised serious policy disputes between the Agency and HUD since the inception of the program in 1974.

To illustrate, the Agency has always seen itself as a family-project, city oriented production Agency. Under the former Section 236 subsidy program, the Agency financed two family units for every one elderly unit; that is, two-thirds of our Section 236 units are for family occupancy. Under Section 8, this Agency policy has been subverted: only ten percent of our Section 8 units have been for family occupancy -- ninety per cent are elderly.

This dramatic shift in unit type is not in any way due to Agency policy; it is simply and purely a function of HUD's low FMRs for family units; so low, in fact, that virtually all family developments brought to the Agency by developers are not financially feasible. Over time, the developers have learned not even to try to submit family projects to us. Thus, our pipeline has become nearly 100% senior citizens. This problem persists to this day.....We submit that HUD should adopt a policy of separate schedules for family and elderly FMRs.

In testimony before this commission, Walter Johnson, Area Director, U.S. Department of Housing and Urban Development, has suggested that the New Jersey HFA failure to provide substantial family housing may indicate not that the Section 8 subsidy is too low, but rather that the HFA is inefficient; at the same time, Mr. Johnson admits that the New Jersey agency in recent years has been the largest and most productive of all state housing finance agencies in the country. (III, p. 9a).

Given HFA's outstanding record of performance, the Commission recommends that the Legislature memorialize HUD to promulgate fair market rents which permit the financing of Section 8 housing for families.

The HFA has over the years been largely concerned with new construction, rather than rehabilitation of existing structures. Where the agency does become involved in rehabilitation it is only to improve the neighborhood immediately surrounding some of its housing projects, as in the Salem-Lafayette section of Jersey City. HFA executives argue that the agency has not been involved in rehabilitation because bond issues to finance rehabilitation carry higher interest rates than those for new construction. However, given soaring per unit costs for new high rise construction and the incredible rate of decay of existing multi-family urban housing, HFA's position is difficult to justify. In the absence of convincing proof that the bond market cannot sustain an issue for rehabilitation purposes, the Commission urges HFA to broaden its base of operations to include multi-family housing rehabilitation. In Atlantic City, in particular escalating land values should provide the credit necessary to make possible more extensive rehabilitation efforts than previously possible.

b. New Jersey Mortgage Finance Agency

The New Jersey Mortgage Finance Agency Law (P.L. 1970, c.38; C.17:1B-4 et seq.) was enacted May 4, 1970, "to raise funds from private investors in order to make those funds available to residential mortgage loans in the state." The MFA law was enacted at a time when the Legislature determined that there was a critical lack of funds available to finance housing by the private mortgage lending institutions. Regular lending institutions might utilize funds raised through MFA bond issues to make home mortgages available at lower interest rates than otherwise available in a tight money market. Under the MFA's Loan to Lenders Program, \$456,450 was raised through the eight bond issues; most of these funds which went to the financing of 20,531 units of housing -- in the suburbs. Only about one dollar in every nine went to the 28 "urban aid" municipalities.

By 1976, with mortgage funds becoming available at lower interest rates, MFA turned its attention to certain urban areas -- where mortgage funding remained all but impossible to obtain. The Neighborhood Loan Fund targeted support specifically to "urban aid" municipalities. Approximately \$86 million was raised to finance 3,500 units of housing at 7 1/2% mortgages -- in "redlined" areas. Significantly, the Neighborhood Loan Program was limited to one to four family units.

The MFA also administers the Home Improvement Loan Program to increase the flow of home improvement loan funds through the purchase of FHA insured Title I loans, at 7.75% interest rates. A March 1978 bond sale will enable the MFA to make available, \$9 million for the purchase of home improvement loans.

c. The Department of Community Affairs

In addition to serving as chairman and chief executive officer of both the New Jersey Mortgage Finance Agency and the New Jersey Housing Finance Agency, the Commissioner of Community Affairs heads a department which is itself directly involved in housing finance.

Under the Housing Assistance Bond Act of 1968, State general obligation bonds were issued in the sum of \$12.5 million, to assist in paying mortgage interest charges on qualified housing developments to decrease rental charges to low and moderate income tenants of such housing. The 1968 Housing Assistance Bond Act funds were also used to provide the additional necessary financial assistance to ensure completion of federally financed low and moderate income housing programs. In total, approximately 4,500 low and moderate

income housing units were constructed with such funds.

The New Jersey Mortgage Assistance Bond Act of 1976 continued the policies initiated in 1968 while expanding the program to assist urban homesteading, code enforcement, neighborhood preservation, rehabilitation and the sale of properties acquired from tax foreclosure or HUD, and viable urban neighborhoods threatened by the lack of private capital for mortgage and rehabilitation loans.

The Department of Community Affairs, under the auspices of the Revolving Housing Development and Demonstration Grant Fund (P.L. 1967, c.82;C.52:27D et seq.), administers the Neighborhood Preservation Program - an imaginative effort to spur rehabilitation of one to four unit buildings. Because NPP rehabilitation is targeted toward specific neighborhoods, and coordinated with efforts to upgrade nearby parks, sidewalks and other public facilities and services, whole neighborhoods (rather than specific sites) are improved. This targeting program yields more satisfactory results than the scattering of scarce rehabilitation resources throughout an urban area.

The Commission commends the Neighborhood Preservation Program and urges that it be continued and expanded.

D. The Private Sector

On January 12, 1977, "An Act to prohibit discrimination in mortgage lending..." was approved. In this law, P.L. 1977, c.1(C.17:16F-1 et seq.), the Legislature declared that "depository institutions have sometimes failed to provide adequate home financing on a non-discriminatory basis for all neighborhoods within the communities from which these institutions receive deposits." The Legislature further declared that neighborhood discrimination on the part of depository institutions resulted in the arbitrary denial of loans to credit worthy persons,

reduced the availability of funds from the private sector for urban housing investments, accelerated the physical decline of the affected neighborhoods, and undercut publicly supported programs for the preservation and revival of urban neighborhoods. The law outlawed discrimination in the awarding of mortgage loans "merely" because the property on which a mortgage is sought, is located in a "redlined" neighborhood. While the data relating to the flow of mortgage funds to previously redlined neighborhoods is not yet complete, Clifford Blaze, Deputy Commissioner of the Department of Banking, indicates that many institutions restrict their mortgage lending to one-to-four family, owner occupied dwellings. The effect of such a policy, Mr. Blaze suggests, is to exclude the vast majority of housing in Newark, Jersey City, Hoboken, and other cities from mortgage lending, while effectively favoring suburban housing markets.

Mr. Blaze and Mr. Peter Buchsbaum of the Public Advocate's Office in testimony of July 26, 1978 (Vol.I, pp.37-39, 42-45) also suggested that loan officers may reduce evidence of demand from central cities by discouraging potential borrowers from submitting written applications for loans. Oral requests for loans need not be reported.

The Commission appreciates that multi-family dwellings with over four units are under-financed because in many instances they pose significantly greater risks for investment than dwellings with fewer units, especially those which are owner occupied. Nevertheless, the near blanket prohibition on the refinancing of what constitutes the majority of housing units in several important New Jersey cities is a breach of the basic intent of the anti-redlining law.

The Commission recommends legislation to amend P.L. 1977, c.1 in the following regard: a. broaden the definition of mortgage

"applicant" to include not only those who apply for mortgages in writing, but also those who make in-person requests, thereby bringing the law into conformity with Federal rules and regulations and the Federal Equal Credit Opportunity Act; b. prohibit loan officers from verbally discouraging persons from making written mortgage applications; and c. require lending institutions to make quarterly, rather than annual, reports to the Department of Banking, to allow for more orderly processing of data and efficient use of Department personnel. A copy of legislation to accomplish these goals is appended. (See Appendix, p.2)

The Commission believes that the enactment of these suggested anti-redlining amendments will make possible certain modest improvements in the refinancing of multi-family dwellings in urban area. Nevertheless, lending institutions on the basis of perceived risk, may legitimately deny refinancing to a significant number of such multi-family dwellings. Because the refinancing of such dwellings is of paramount importance, the Commission believes that a state housing agency must attempt to "prime the pump" and raise funds to demonstrate the feasibility of refinancing such dwellings. In response to this evident need, the Department of Community Affairs in a communication sent to this Commission has outlined a novel scheme for refinancing 5 to 12 unit structures and joint home and business properties. The DCA proposal is as follows:

PROPOSAL

The Department of Community Affairs would sponsor the formation of an Urban Investment Partnership (U.I.P.) to upgrade and preserve the target housing stock. DCA would contribute \$250,000 and an additional \$500,000 would be raised by selling one hundred partnership interests of \$5,000 each to Mortgage Bankers, Savings and Loan's, Savings Banks, Commercial Banks, Insurance Companies, and major corporations located in urban areas. Based upon this capital, the U.I.P. would participate with urban property purchasers, private industry, and the MFA in a program designed to maintain and upgrade the target urban properties.

The following criteria must be met for a property to qualify under the U.I.P. Program:

1. The property must be located in one of the 28 urban aid cities as defined by DCA.
2. Property must be either:
 - a. Joint home and business with existing or projected use of the business portion.
 - b. Multi-family of not less than 5 units --
No more than 12 units.
3. Existing construction meeting minimum property standards set by U.I.P.

The participants in the program would contribute as follows:

- A. The Borrower - The borrower would locate the property and negotiate for its purchase subject to acceptable financing and participating by the U.I.P. The borrower will be required to have an equity investment of at least 10%. The borrower will enter into a partnership agreement that will provide for the following:
 1. U.I.P. will provide up to 10% of the purchase price as

an equity partner.

2. In the event that the borrower does not occupy the premises, the rents will be paid directly to the U.I.P. The U.I.P. will be entitled to a 5% management fee.
 3. A reserve for depreciation and repair will be set up at time of loan closing and in addition to the normal escrow for taxes and insurance, a monthly allocation will be paid to the mortgage servicer to create the replacement reserve.
 4. In the event the mortgage becomes delinquent, U.I.P. will be permitted to immediately initiate the collection of all rents and provide all management services.
 5. The U.I.P. will be entitled to a pro-rata share of depreciation and interest and tax deductions.
 6. The equity investment provided by U.I.P. will be amortized by the borrower over a 20 year period with interest at 8%. The monthly payment to amortize the equity will be included with the mortgage. The partnership interest cannot be purchased on an accelerated schedule unless the first mortgage loan is reduced to an amount equal to 50% of the original amount.
- B. The Lender - For a lender to participate in this program, he must be a partner in U.I.P. That lender will design an aggressive marketing plan to introduce the U.I.P. program to urban areas. The lender will process the applications in accordance with specifications designed by the U.I.P. Where necessary, required repairs will be made. The lender will close the loan and be entitled to a 2% origination fee or \$1,500, whichever is less.

For each loan closed, the lender will purchase an additional partnership interest equal to 1/2 to 1% of the purchase price, but not to exceed \$250,000. After closing, the loan will be delivered to the Mortgage Finance Agency and will be serviced by the lender at 1/2 of 1%. The mortgage agreement will provide for the following:

1. The interest rate will be at 7 1/2% with the term not to exceed 20 years.
2. In addition to principal and interest, an escrow will be paid monthly equal to 1/12 of the estimated annual amount for taxes, insurance, depreciation and replacement. Annual property inspections will be made by the lender on a format acceptable to U.I.P. All requests for release from the reserve account will be approved by the lender and then forwarded to U.I.P. for its approval.
3. The mortgage agreement will also require a payment equal to the required monthly amortization of the U.I.P. partnership interest.
4. U.I.P. will be entitled to a monthly sum as compensation for its guarantee to provide backup management an independent administration of the depreciation reserve. That fee will equal 1/2% of the original principal and will be remitted monthly to the mortgage servicer.

C. U.I.P. - The U.I.P. would provide staff to perform the following functions:

1. Draft and design eligible property specifications and minimum property standards.
2. To review appraisals and accept or reject repairs required by the lender.
3. Review lender inspection reports and respond to requests

for releases from the depreciation account.

4. Provide management where necessary to collect rents, find tenants, and maintain the property.
5. To provide an annual accounting of partnership interest and allocate writeoffs as appropriate.
6. To integrate federal and state re-hab programs that would apply to the target properties.

The U.I.P. would receive a cash flow from four sources:

1. Interest and amortization on its equity investment in each property.
2. Guarantee fee based upon the extent of its equity participation.
3. Management fee when required.
4. Purchase of additional stock by participating lenders.

D. M.F.A. - The M.F.A. will sell a tax exempt bond issue to New Jersey institutions. The initial offering should be approximately \$10 million dollars and be offered at a rate that could be supported by 7 1/2% mortgages less the 1/2 of 1% servicing fee by the mortgage lender. The bond issue will be marketed on the basis that it is a full pass through that will be collateralized by mortgages on eligible properties under the U.I.P. Program. The U.I.P. Program will provide a minimum equity investment of at least 20% in all cases, a reserve for replacement, backup management by U.I.P., annual inspections, and continuing maintenance of the property. The participation by U.I.P. will provide for the continuing operation of the property regardless of the contribution of the original borrower.

SUMMARY

The Program as described above can fill a significant void and provide the machinery to upgrade and preserve a major portion of the housing stock of many cities. It utilizes existing origination capacity of the lending community and thus eliminates the need for the creation of a large staff. The Program outlined provides for the following:

- A. Reduction in debt service by providing tax exempt funds for mortgages at below market rate.
- B. Guaranteed backup management in the event of a failure by the original borrower.
- C. Required reserve for maintaining property standards to be administered independent of the borrower.
- D. Expansion of the market to purchase the eligible properties by reducing down payments to as low as 10% before the partnership contribution by U.I.P.

The Commission commends this proposal with the following provisos:

- a That if the utility of the proposal is to be adequately demonstrated, then the U.I.P. must provide funding not to the safest properties i.e., those which might be financed independently of U.I.P., but to those which constitute a risk typical of the 5 to 12 multi-family or mixed use structure class; and,
- b That given the risks of such an undertaking and the current state of the bond market, MFA may experience considerable difficulty in marketing the proposed \$15 million bond issue at a rate low enough to support 7 1/2% mortgages. This market condition may well suggest a delay in the implementation of this innovative and potentially successful proposal, until interest rates decline from the present near record "highs".

III. Relocation Assistance

A. State Relocation Assistance Laws

This Commission has sought to examine the effectiveness of the State's "Relocation Assistance Law of 1967", P.L. 1967, c.69(C.52:31B-1 et seq.) and the "Relocation Assistance Act", P.L. 1971, c.362(C.20:4-1 et seq.). These laws provide assistance to persons and businesses displaced by government activities.

The "Relocation Assistance Law of 1967" provides that where persons or businesses must vacate their premises because of acquisition of real property by any State agency or any unit of local government, a "workable relocation assistance program" (WRAP) must be certified to the Commissioner of the Department of Community Affairs before the agency or local unit can proceed with its plan. Such relocation assistance program must provide for information services, assistance in finding new quarters, relocation assistance payments for "actual and reasonable expenses of moving" up to a maximum of \$200 for an individual or family, and for coordination with other project activities. The law also states that no person shall be displaced unless there is available an alternate dwelling unit.

The "Relocation Assistance Act" of 1971, building on the earlier concept of the "WRAP," made explicit that relocation assistance payments would be available for dislocation resulting from building code enforcement as well as state or local acquisition programs and other improvements conducted pursuant to government supervision. Relocation assistance payments were fixed at the following levels:

- a. \$300 maximum for actual moving and related expenses;
- b. \$200 maximum for dislocation allowance;
- c. \$4,000 maximum for rental assistance over a 4 year period;
- d. \$4,000 maximum (the first \$2,000 to be paid by tenant)

for downpayment assistance where a tenant has decided to buy a home;

- e. \$15,000 maximum for replacement housing for homeowners where the acquisition cost of the dwelling acquired does not equal the reasonable cost of a comparable replacement dwelling.

The law requires that before displacement can occur, there must be assurance that there is standard housing available for displaced persons, and provides for the participation of the State in the cost of local relocation payments.

The following are the amounts appropriated and expended by the State for all aspects of relocation assistance. Because relocation payments may be made over a period of four years, annual appropriations must cover the cost of these on going relocation payments.

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Amount Expended</u>
1968	none	none
1969	\$2,250,000	\$1,049,055
1970	1,000,000	344,894
1971	484,877	484,162
1972	485,000	425,584
1973	485,000	506,525
1974	485,000	524,799
1975	795,000	795,000
1976	570,000	570,000
1977	465,000	465,000
1978	700,000	N/A

Appropriations for relocation assistance have over the years failed to meet the increasing cost and demand for such assistance and as a result certain programs, especially code enforcement, cannot be implemented except at minimal levels.

B. Code Enforcement and Rehabilitation

Eighty to eighty-five percent of families receiving rental relocation assistance do so because the buildings in which they formerly resided had major defects in violation of the State Housing Construction Code.

Where eviction and dislocation occur through enforcement of the housing code, the State assumes responsibility for relocation costs. However, the Bureau of Housing Inspection, Division of Housing and Urban Renewal of the Department of Community Affairs encourages municipalities to assume the burden of multi-family housing inspections through the State/Local Cooperative Housing Inspection Program. Under this program, the State and municipality share inspection costs on a 50-50 basis with the State also contributing financial, technical and record-keeping assistance. Prior to Fiscal Year 1979, the State had paid two-thirds of the costs. Certain municipalities utilize Federal Community Development Block Grant Funds to help defer the costs of providing relocation assistance. Municipalities set aside \$2.6 million in 1975 and \$3.9 million in 1976 in CDBG funds for general relocation assistance, with one third of that total to be used specifically for code-enforcement assistance activities. Despite State and federal assistance, local officials suggest that municipalities may not be able to participate in the cooperative State/local program, because costs remain beyond municipal means.

According to Ralph S. Klopper, Executive Director of the Jersey City Redevelopment Agency,

"Last year Jersey City received only 17% of its code enforcement relocation budget from the State of New Jersey. Although in 1972, the State revised its relocation law to become

consistent with federal law, the State has never funded this program to a level consistent with the increased amounts of claim benefits. These changed from a \$200 maximum in the old law to a \$4,500 maximum in the new law, an increase by a factor of over 22 times, but the State assistance has never increased at all commensurately." (Vol.III, p.25A)

Mayor Grant Gille of Montclair said,

"Montclair, which has a tenant population representing about 40% of our total population, has on various occasions considered taking over the inspection of multi-unit buildings, and yet we are faced, particularly under the CAP legislation, with projections of increased costs if this were to be done. There is a possibility that we may not be able to afford this responsibility. The State programs call for inspections every five years, and, currently, because of the tremendous responsibility the State has inspecting multi-unit buildings throughout the State, the general feeling is that these inspections are less than adequate and that there is less follow-up than with those inspections which would be administered locally." (fn. Vol.I, p.29)

Walter and Joseph Barry of Applied Housing Associates, the developer responsible for rehabilitating some 1,000 units of low and moderate income housing in Hoboken, stated that state and local officials are so intent on limiting dislocations from housing code enforcement that there is a willingness to accept temporary stop-gap measures to bring violations into technical compliance with the code. Tenants may be spared eviction, but in the long run they are plagued by continual breakdowns which occur in obsolete housing systems. Overcrowded, dangerous housing conditions remain until the housing is destroyed by fire or until the dwelling becomes so rundown (and expensive to repair) that the landlord decides to abandon it.

The Barrys argue that meaningful Code Enforcement entails, in many cases, the relocation of tenants for purposes of substantial rehabilitation. Other witnesses have suggested, however,

that rehabilitation need not be either as extensive or as disruptive as the Barry's suggest.

The Commission recommends the following:

1. That the Department of Community Affairs and the New Jersey Mortgage Finance Agency, in conjunction with private non-profit organizations, investigate the utility of "moderate" rehabilitation efforts such as undertaken by the Settlement Housing Fund, Inc. of New York City. "Moderate" rehabilitation techniques entail extensive renovations but also permit "working around tenants." See Clara Fox, "Moderate Rehabilitation," The Journal of Housing, vol. 35, May 1978, 238-42.
2. That the level of State funding for relocation assistance be increased to stimulate greater local participation in the State Local Cooperative Housing Inspection program.

A word regarding federal funds for relocation assistance. The U. S. Department of Housing and Urban Development of Housing and Urban Development has determined that federal relocation law does not apply to federally subsidized, Section 8, projects undertaken by private developers. (Relocation Policies and Procedures, Feb. 1975 (1371.1 Rev.), HUD Handbook, U. S. Department of Housing and Urban Development, Washington, D.C., sections 1-6 (2 and 3), p.1-6[Vol. I, pp.61,65, 14]. Municipalities applying for Section 8 subsidies must fund any relocation costs through their Community Development Block Grant funds. This funding is inadequate. Philip Caton, Director of the Division of Housing and

Urban Renewal in DCA has observed that "relocation, especially relocation attached to a new federal program which was unanticipated two years ago, is just not the kind of thing [municipalities] can pay for, especially at \$4,500 per family." (Vol.I, p.65) Because federal funds are not available for relocation assistance, much needed rehabilitation is indefinitely deferred or people are displaced without adequate compensation. The Commission recommends that the Legislature memorialize HUD to reconsider its policy barring federal funds for relocation assistance for Section 8 housing rehabilitation.

EMERGENCY RELOCATION

Witnesses testified to a critical lack of assistance to persons displaced by fire and other catastrophes. At present, the burden of emergency relocation falls upon various municipal agencies, the Salvation Army and the Red Cross.

While a number of municipalities allocate funds for emergency displacements, the Department of Community Affairs has determined that State funds cannot be used for such purposes, and as such the State provides no emergency housing facilities.

Although there is apparently no hard data on the number of households displaced by fire and other catastrophes in the State, some indication of the dimensions of the problem was given by the Jersey City Redevelopment Agency. The Commission was told that 58% of that agency's relocation workload involved families displaced by fire. A 1976 study conservatively estimated that in Jersey City there were 300 emergency relocation cases a year, or twenty-five a month. [Planning and Design of Emergency Relocation Facilities, Department of Community Development, City of Jersey City, p. 12, 1976 (prepared under a Demonstration Grant from the Department of Community Affairs' Revolving Housing Development Grant Fund)]. In Atlantic City, Dr. Hubert D. Maulkey of the Department of Planning told the Commission that in 1977, Atlantic City lost well over 300 dwellings and apartments to fire.

Local officials and community representatives repeatedly stressed that emergency relocation facilities are urgently needed. No where is the need more critical than in Atlantic City. Like other cities which have attempted to help these displaced families, Atlantic City has been forced to use local hotels and motels for temporary

shelter. But as casino gambling makes Atlantic City a year round resort, such rooms will no longer be available for emergency shelter.

Notwithstanding the difficulties and expense related to the siting, construction and administration of emergency relocation facilities, the Commission holds that the need for them is so overwhelming that they should be developed at least on a trial basis. Therefore, the Commission recommends that the Department of Community Affairs sponsor such facilities, through the Revolving Housing Redevelopment and Demonstration Grant Fund, or other funding mechanism. Such facilities would operate subject to the following conditions: that tenants be admitted to such facilities only after being advised that their stay would be temporary; and, that such facilities would serve as housing of last resort to be used strictly on an emergency basis where health and safety were endangered.

APPENDIX A

ASSEMBLY RESOLUTION No. 23

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 16, 1978

By Assemblyman SHAPIRO

(Without Reference)

AN ASSEMBLY RESOLUTION creating a commission to study the availability of adequate housing in New Jersey with particular emphasis on urban housing opportunities.

1 WHEREAS, There is a widespread shortage of reasonably priced,
2 adequate housing in our State, particularly in our urban areas;
3 and

4 WHEREAS, There is a need for the State to review its laws, practices
5 and policies which impact upon the quality and availability of
6 housing; and

7 WHEREAS, There is also a need to increase urban housing opportuni-
8 ties through neighborhood preservation and the rehabilitation
9 and conversion of existing structures to adequate and decent
10 places of habitation; and

11 WHEREAS, The rights of existing tenants must be protected con-
12 sistent with the goal of up-grading the existing housing stock
13 in our urban areas; now, therefore

1 BE IT RESOLVED by the General Assembly of the State of New
2 Jersey:

1 1. There is hereby created a commission to consist of four mem-
2 bers, to be appointed from the membership of the General Assembly
3 by the Speaker thereof, no more than two of whom shall be of the
4 same political party, who shall serve without compensation.
5 Vacancies in the membership of the commission shall be filled in
6 the same manner as the original appointments were made.

1 2. The commission shall organize as soon as may be after the
2 appointment of its members and shall select a chairman from
3 among its members and a secretary who need not be a member of
4 the commission.

1 3. It shall be the duty of said commission to conduct a study
2 of the housing market in New Jersey with particular concern for
3 the availability of decent housing in our urban centers. The com-

4 mission shall also determine the impact of the laws, practices and
5 policies of the State upon housing opportunities and shall make
6 recommendations for State action to increase the supply and avail-
7 ability of decent housing for all residents of the State. Additionally,
8 the commission shall consider the need to promote the rehabilita-
9 tion of urban housing while preserving and protecting the rights
10 of existing tenants.

1 4. The commission shall be entitled to call to its assistance and
2 avail itself of the services of such employees of any State, county
3 or municipal department, board, bureau, commission or agency as
4 it may require and as may be available to it for said purpose, and
5 to employ such stenographic and clerical assistants and incur such
6 traveling and other miscellaneous expenses as it may deem neces-
7 sary, in order to perform its duties, and as may be within the
8 limits of funds appropriated or otherwise made available to it for
9 said purposes.

1 5. The commission may meet and hold hearings at such place
2 or places as it shall designate during the sessions or recesses of
3 the Legislature and shall report its findings and recommendations
4 to the Legislature and Governor, accompanying the same with any
5 legislative bills which it may desire to recommend for adoption by
6 the Legislature. This report of findings and recommendations
7 shall be submitted to the Legislature and Governor within 6 months
8 of the date of appointment of the committee.

APPENDIX B- PROPOSED AMENDMENTS
P.L.1977, c.1 - The Anti-Redlining Law
VIII-R-50

AN ACT concerning discrimination in mortgage lending and
amending P.L. 1977, c.1(C.17:16F-1 et seq.).

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

1. Section 2 of P.L. 1977, c.1(C.17:16F-2) is amended
to read as follows:

2. As used in this act:

a. "Depository institution" means any banking institutions as defined in section 1 of the Banking Act of 1948, P. L. 1948, c. 67 (C. 17:9A-1), any association as defined in the Savings and Loan Act (1963), P. L. 1963, c. 144 (C. 17:12B-1 et seq.) and any State or Federal credit union but the provisions of section 4 of this act shall not apply to any depository institution which had total assets of \$10,000,000.00 or less as of the last day of its last full fiscal year.

b. "Mortgage loan" means a loan which is secured by residential real property or a home improvement loan.

c. "Applicant" means any person who files with a depository institution a written or oral-in-person,

request containing such information as is reasonably

required by the depository institution for a mortgage loan as defined in this act.

2. Section 3 of P.L. 1977, c.1(C.17:16F-3) is amended
to read as follows:

3. a. No depository institution shall discriminate by intent or in effect

, on a basis that is

arbitrary or unsupported by a reasonable analysis of the lending risks associated with the applicant for a given loan or the condition of the property to secure it, in the accepting of applications,

granting, withholding, extending,

modifying or renewing, or in the fixing of the rates, terms, conditions, or provisions of any mortgage loan on real property located in the municipality in which a depository institution has a home or branch office, or in any municipality contiguous to such municipality, merely because such property is located in a specific neighborhood or geographical area; provided, however, that it shall not be a violation of this section if the mortgage loan is made pursuant to a specific public or private program, the purpose of which is to increase the availability of mortgage loans within a specific neighborhood or geographical area.

b. No depository institution may discourage, or refuse to allow, receive, or consider, any application, request, or inquiry regarding a mortgage loan, or discriminate in imposing conditions upon, or in processing, any such application, request, or inquiry on any basis prohibited by law.

3. Section 6 of P.L. 1977, c.1(C.17:16F-6) is amended to read as follows:

6. Any information required to be compiled and made available under this act shall be maintained and made available for a period of 5 years after the close of the first year during which such information is required to be maintained and made available. A copy shall be filed annually quarterly

with the Commissioner of Banking.

and the Director of the Division on Civil Rights of the Department of Law and Public Safety.

4. This act shall take effect immediately.

STATEMENT

This bill strengthens certain language in P.L. 1977, c.1 prohibiting discrimination in mortgage lending. It broadens the definition of mortgage "applicant" to include not only those who apply for mortgages in writing but also those who make in-person requests, thereby bringing the law into conformity with federal rules and regulations and the Federal Equal Credit Opportunity Act. The bill also prohibits loan officers from verbally discouraging persons from making written mortgage applications. Finally, the bill requires lending institutions to make quarterly rather than annual reports to the Department of Banking to allow for more orderly processing of data and efficient use of Department personnel.

BRODART, INC.	Cat. No. 23-221

Cat. No. 23-221



