

Updated February 2026

APPENDIX D-1

MANDATORY DEED FORM FOR TWO-FAMILY AFFORDABLE HOMEOWNERSHIP UNIT AND
AFFORDABLE RENTAL UNIT

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Housing Affordability Service

637 South Clinton Avenue

P.O. Box 18550

Trenton, NJ 08650-2085

**DEED-RESTRICTED AFFORDABLE HOUSING UNIT WITH
RESTRICTIONS ON RESALE AND REFINANCING**

Deed To State Regulated Property

With Covenants Restricting Conveyance and Mortgage Debt

Two-Family Affordable Homeownership Unit and Affordable Rental Unit

This DEED is made on the ____ day of _____, 20__ by and between
_____ (“Grantor”), whose address is _____,
and _____ (“Grantee”), whose address is about to be
_____.

Article 1. Consideration and Conveyance

In consideration for payment to the Grantor by the Grantee of _____ Dollars (\$_____),
the receipt of which is acknowledged by the Grantor, the Grantor hereby grants and conveys to the Grantee
all of the land and improvements thereon as is more specifically described in Article 2 hereof (the
“Property”).

Updated February 2026

Article 2. Description of Property

The Property is a two-family residence designed to house one low- or moderate-income owner-occupant household (the “ownership unit”) and one low- or moderate-income renter household (the “rental unit”). The restrictive covenants set forth in Article 4 below apply to both the ownership unit and the rental unit in a single structure. This Deed establishes affordability controls for the use and resale of the Property and for the lease of the rental unit.

The Property consists of all of the land, and improvements thereon, located in the municipality of _____ (the “Municipality”), _____ County, New Jersey (the “State”), and is described more specifically as Block No. _____, Lot No. _____, and known by the street address: _____, being the same premises conveyed to the Grantor herein by Deed dated _____ from _____ and recorded on _____ in Deed Book _____, page _____ in the office of the Clerk or Register of _____, County, New Jersey.

Article 3. Grantor’s Covenant

The Grantor hereby covenants and affirms that the Grantor has taken no action to encumber the Property. This promise is called a “covenant as to grantor’s acts” (N.J.S.A. 46:4-6) and means that the Grantor has not allowed anyone else to obtain any legal rights which affect the Property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Article 4. Affordable Housing Covenants

Sale and use of the Property are governed by the Uniform Housing Affordability Controls regulations (“UHAC Regulations”), which are codified in the New Jersey Administrative Code at N.J.A.C. 5:80-26.1

Updated February 2026

et seq., and any amendments, changes, or supplements thereto. Consistent with the UHAC Regulations, the following covenants (the “Covenants”) run with the land for the period of time commencing upon the earlier of (a) the date hereof or (b) any prior commencement of the “Control Period,” as that term is defined in the UHAC Regulations, and terminating upon the expiration of the Control Period as provided therein. Each restricted ownership unit must remain subject to the Control Period requirements at N.J.A.C. 5:80-26.6.

A. The Property may be conveyed only to a household that has been approved in advance and, in writing, by the Housing Affordability Service of the New Jersey Housing and Mortgage Finance Agency (“Agency”) or other administrative agent duly appointed pursuant to the UHAC Regulations (the “Administrative Agent”).

B. No sale of the Property is lawful, unless approved in advance and, in writing, by the Administrative Agent, and no sale of the Property may be for a consideration greater than the maximum permitted price (“Maximum Resale Price” or “MRP”) as determined by the Administrative Agent.

C. No refinancing, equity loan, secured letter of credit, or any other mortgage obligation or debt (collectively, “Debt”) secured by the Property may be incurred, except as approved in advance and, in writing, by the Administrative Agent. At no time may the Administrative Agent approve any Debt if incurring the Debt would make the total of all Debt exceed Ninety-Five Percent (95%) of the applicable MRP.

D. Except as otherwise set forth in E below, the Grantee or any successor owner of the Property shall at all times maintain the ownership unit of the Property as their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year.

E. The Grantee or any successor owner of the Property may not lease the ownership unit to any person or persons other than on a short-term hardship basis as may be approved in advance and, in writing, by the Administrative Agent. The rental unit of the Property may be leased only in accordance with F below.

F. The Grantee or any successor owner may lease the rental unit only to income-certified very-low-, low-, or moderate-income households approved in advance and, in writing, by the Administrative Agent; shall charge rent no greater than the maximum permitted rent as determined by the Administrative Agent;

Updated February 2026

and shall submit for written approval of the Administrative Agent copies of all proposed leases prior to having them signed by any proposed tenant.

G. No improvements may be made to the Property that would affect its bedroom count or configuration, unless approved in advance and, in writing, by the Administrative Agent.

H. No improvement made to the Property will be taken into consideration to increase the MRP, except for improvements approved in advance and, in writing, by the Administrative Agent pursuant to the UHAC Regulations.

Article 5. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the public in light of the public policies set forth in the New Jersey Fair Housing Act, the UHAC Regulations, and the constitutional obligation for the provision of housing for low- and moderate-income individuals and families. Accordingly, and in accordance with N.J.A.C. 5:80-26.19:

A. In the event of a threatened breach of any of the Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent, the Municipality, and the State shall have all remedies provided at law or in equity, including the right to seek injunctive relief and specific performance.

B. Upon the occurrence of a breach of any of the Covenants by the Grantee or any successor in interest or other owner of the Property, the Administrative Agent, the Municipality, and the State shall have all remedies provided at law or in equity, including, but not limited to, forfeiture, foreclosure, acceleration of all sums due under any mortgage, recoupment of any funds from a sale in violation of the Covenants, divestment of rent proceeds from illegal rentals, injunctive relief to prevent further violation of the Covenants, specific performance, and entry on the premises.

Article 6. Additional Provisions Applicable to Two-Family Units

A. The following definitions are applicable to this Article 6:

Updated February 2026

“Adjusted Rent” means the Base Rent for the rental unit adjusted by the Index.

“Base Rent” means the charge for an affordable housing rental unit at the time the unit is first restricted, which charge has been calculated to include a credit for those utility costs paid by the tenant using a utility cost schedule approved for statewide use by the U.S. Department of Housing and Urban Development (HUD), or its successor.

“Index” means the measured percentage of change in the median income for a household of four by geographic region using the applicable income guidelines.

“Renter” means a household that has been certified to rent an affordable housing unit, subject to signing a lease and the payment of any required security deposit.

B. The following affordability restrictions are applicable to the rental unit for a period of _____ years from the commencement date determined pursuant to Article 4, Affordable Housing Covenants.

1. The Grantee or any successor owner of the rental unit shall not lease the rental unit for an Adjusted Rent that is greater than the established Base Rent plus the allowable percentage of increase as determined by HUD or other applicable agency. Adjusted Rents are effective as of the lease anniversary date and remain in effect for at least a one-year period.

2. The Grantee or any successor owner of the rental unit shall not lease the rental unit other than to a Renter who has been certified to the unit utilizing the income verification procedures established by DCA, the Agency, or the Division of Local Planning Services (“DLPS”) in DCA to determine qualified very-low-, low-, and moderate-income-eligible households.

3. The Grantee or any successor owner of the rental unit shall not sell the unit other than in accordance with and subject to any rules and regulations duly promulgated by DCA, DLPS, and the Agency in order to ensure that the rental unit remains affordable to and occupied by very-low, low-, or moderate-income households for the duration of the Control Period established pursuant to N.J.A.C. 5:80-26.6.

Updated February 2026

C. The Covenants set forth herein run with the land and remain in effect for the duration of the Control Period established pursuant to N.J.A.C. 5:80-26.6, regardless of any sale or other conveyance of the Property. The continuance of the Covenants may, however, be extended by the Municipality in accordance with N.J.A.C. 5:80-26.6(h).

D. All provisions of the Fair Housing Act and the UHAC Regulations are applicable to the ownership unit and the rental unit, whether or not so expressed in this Deed.

EXECUTION BY GRANTOR

Signed by the Grantor on the date hereof. If the Grantor is a corporation, this Deed is signed by a corporate officer who has authority to (a) convey all interests of the corporation that are conveyed by this Deed, and (b) bind the corporation with respect to all matters dealt with herein.

_____ < seal >

ADD AUTHORIZED SIGNER'S NAME AND TITLE

_____ < seal >

CERTIFICATE OF ACKNOWLEDGEMENT BY INDIVIDUAL

State of New Jersey, County of _____

I am either (check one) ____ a Notary Public or ____ a(n) _____, an officer authorized to take acknowledgements and proofs in the State of New Jersey. I sign this acknowledgement below to certify

Updated February 2026

that it was executed before me. On this the ____ day of _____, 20__,
_____ appeared before me in person. *(If more than one person appears, the words "this person" include all persons named who appeared before the officer making this acknowledgement.)* I am satisfied that this person is the person named in and who signed this Deed.

This person also acknowledged that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by this Deed, as such consideration is defined in P.L. 1968, c. 49, sec. 1(c), is \$_____.

Officer's signature: Sign above and print, stamp, or type name below

CORPORATE PROOF BY SUBSCRIBING WITNESS

State of New Jersey, County of _____

I am either (check one) ____ a Notary Public or ____ a(n) _____, an officer authorized to take acknowledgements and proofs in the State of New Jersey. On this the ____ day of _____, 20__, _____ (the "Witness") appeared before me in person. The Witness was duly sworn by me, and under oath stated and proved to my satisfaction that:

1. The Witness is the _____ secretary of the corporation that is the Grantor described as such in this Deed (the "Corporation").
2. _____, the officer who signed this Deed is the <title> _____ of the Corporation (the "Corporate Officer").

Updated February 2026

3. The making, signing, sealing, and delivery of this Deed have been duly authorized by a proper resolution of the Board of Directors of the Corporation.

4. The Witness knows the corporate seal affixed to this Deed by the Corporate Officer is the corporate seal of the Corporation. The Corporate Officer signed and delivered this Deed as and for the voluntary act and deed of the Corporation. All this was done in the presence of the Witness who signed this Deed as attesting witness. The Witness signs this proof to attest to the truth of these facts.

The Witness also acknowledged that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by this Deed, as such consideration is defined in P.L. 1968, c. 49, sec. 1(c), is \$_____.

Sworn and signed before me on the date above written:

Witness: Sign above and print, stamp, or type name below

Officer's signature: Sign above and print, stamp, or type name below

Note: If the Grantor is a limited liability company or partnership, the above jurat may be revised accordingly, whereby the authorized managing member or authorized partner shall be appropriately identified and whose signature must be acknowledged.