

2025 Residential Foreclosure Intervention Program (FIP)

FREQUENTLY ASKED QUESTIONS

What is the goal of the Foreclosure Intervention Program (FIP)?

The Goals of the FIP are set forth in its legislative authorization, which may be referenced at N.J.S.A. § 55:14K-97. In this initial funding round, the FIP program is concentrating on the targeted objective of increasing the supply of affordable single family homes and reducing the number of vacant and abandoned foreclosed properties impacting their neighborhoods and communities by awarding grants to eligible community-based non-profits so that they can purchase, rehabilitate, and sell such properties to low-to-moderate income homebuyers.

Who is eligible to apply for assistance under the FIP?

Non-profit organizations with substantial experience in residential dwelling rehabilitation work, financing and acquisition of real estate for affordable housing, or community development are eligible. Knowledge of the New Jersey real estate market is required.

What geographic areas are eligible for assistance under the FIP?

Properties across New Jersey are eligible, provided the property, the non-profit, and the eventual end-buyer meet the eligibility criteria. However, properties that fall within a census tract that is designated as being at "Relatively High" or "Very High" risk of natural disaster, generally defined by proximity to a flood plain, are not eligible.

What properties are eligible to be purchased for rehabilitation under the FIP?

Properties must be either a single-family home, a condominium, a townhome, or a manufactured home permanently affixed to the property to be considered for the program. To be purchased for rehabilitation, the property must be owned by an institutional lender as the result of a mortgage foreclosure judgment or a deed in lieu of foreclosure or be owned by a municipality.

If my non-profit already owns a property, could it be considered for assistance under the FIP?

Properties already owned by foreclosure intervention contractors are eligible if the property acquisition occurred after March 3, 2021 and the applicant agrees to the terms of the program for the property.

Where can I find the application?

The application is on the NJHMFA website. Please see the following link:
<https://www.nj.gov/dca/hmfa/consumers/nonprofits/>

What can I expect of the FIP application process, from initial submission to final decision?

Applications will be accepted on a rolling basis. NJHMFA staff will present projects to the Board for approval on a monthly basis beginning in 2024. There is a 10-day veto period following Board approval. After the 10-day veto period NJHMFA will send a notice of approved project(s).

If my project was approved, when might I reasonably expect the disbursement of acquisition funds?

Upon receiving Board approval and expiration of the 10-day veto period, the non-profit will enter into a grant agreement with NJHMFA which must be executed before the applicant may receive funds for purchase.

Is this timeline different if I already own the property?

No, however, the non-profit shall be required to provide a copy of the deed for the property and enter into a grant agreement with NJHMFA prior to the disbursement of any funds.



How will funds be disbursed?

Two to three weeks after the 10-day veto period ends, funds will be transferred through ACH or wire transfer.

What is the maximum award per property?

The per-property maximum award is \$400,000.

What are some examples of eligible expenses covered by FIP funds?

Funds may be utilized for acquisition and rehabilitation costs approved as part of the workplan. Examples of eligible work include but are not limited to:

- Property Acquisition
- Demolition
- Roofing
- Permits
- Site Maintenance
- Framing/Carpentry
- Rough Plumbing
- Rough Electric
- HVAC
- Insulation
- Sheetrock and Tape or
- Trim
- Kitchens/Bathrooms
- Painting
- Windows/Doors
- Landscaping/Tree removal
- Final Plumbing
- Final Electric
- Carpeting/Tile
- Concrete/Masonry
- Alarm
- Fencing
- Siding/Capping
- Gutters and Downspouts
- Removal/Mitigation of Toxic or Hazardous Substances
 - Lead and Asbestos Abatement
 - Radon and Mold Remediation

Are administrative costs eligible under the work plan?

No. Funds must only be utilized for hard costs. However, the awardee will retain 30% of the sale proceeds, which can be used to cover internal administrative costs.

How will I know if a submitted cost is covered under the FIP?

Workplans will be approved outlining the eligible costs. Invoices for material and labor should be submitted monthly until the completion of the rehabilitation. Should unanticipated costs not covered by the approved workplan be incurred, it is the responsibility of the applicant to notify the agency and seek review. If not approved, such costs will be borne by the applicant, though they may be covered by the 30% of net proceeds that the non-profit receives at sale.

The application says that NJHMFA will review rehabilitation costs periodically.

Will reimbursements for rehabilitation costs also be disbursed throughout the project?

No, funds will be reimbursed at final sale rather than disbursed periodically.

What if my project costs exceed the \$400,000 maximum award amount, can I access additional funds?

All costs exceeding the \$400,000 maximum award will be covered by the non-profit. The non-profit may be able to recoup additional expenses upon receiving its share of the final sale (30% of net proceeds). However, NJHMFA does not provide any guarantee that all expenses will be recovered.

Is there a minimum or maximum sale price required after rehabilitation? The properties will be sold as market units to an end buyer who must make less than 120% of the area median income.



What if the final homebuyer makes more than the maximum allowable income?

If the non-profit fails to sell the rehabilitated property to an eligible homebuyer, as defined in the program guidelines, then the applicant is non-compliant with the program guidelines and the applicant's grant agreement. This shall result in the forfeiture of FIP funds received from NJHMFA.

Is there a timeline for project completion? What if I am unable to finish a rehabilitation project?

Each property will have a rehabilitation/construction schedule identified in the workplan that shall be no longer than three years. However, due to federal government deadlines, properties funded through the initial rounds of FIP awards (prior to June 2024), must be completed and the property shall be sold by December 31, 2026. If a non-profit is unable to execute their obligations, including the purchase, rehabilitation, and sale of an approved property within the allotted timeline, all FIP funds shall be returned to the Foreclosure Intervention Fund.

If you have additional questions, please contact NJHMFA at FIP@NJHMFA.gov.

