

**SENATE BILL NO. 1446**  
**(First Reprint)**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1446 (First Reprint) with my recommendations for reconsideration.

This bill would modify a down payment assistance loan program, administered by the New Jersey Housing and Mortgage Finance Agency ("HMFA"), for the benefit of first-generation and first-time homebuyers. In particular, the bill would modify the loan program's definition of "first-generation homebuyer" so that a loan program applicant would be able to meet this definition if a member of their household owned a home in the last three years, so long as the applicant, and their spouse or domestic partner, have not. The bill would further modify that definition to include individuals who were an emancipated youth, or were designated as a homeless, unaccompanied youth as defined in the "McKinney-Vento Homeless Assistance Act," (42 U.S.C. s.11434a).

Additionally, the bill would modify the loan program's definition of "first-time homebuyer" so that the definition does not restrict a homebuyer's ownership of residential real property within the previous three years, as long as an applicant is using a mortgage product offered by HMFA through an HMFA homebuyer program to purchase single-family housing, and has a gross household income that does not exceed a limitation determined by HMFA.

Furthermore, the bill would require that a first-time homebuyer occupy the home as their principal residence and retain the first mortgage product offered by HMFA through an HMFA homebuyer program for five years following the purchase of the home.

The bill also would adjust the loan award to be offered through the loan program from \$15,000 to an amount not to exceed \$20,000. The bill would modify a homebuyer education requirement for participation in the loan program to provide HMFA with more discretion over how to administer the coursework. Additionally, the bill would adjust the regulatory guidance requirements for the loan program, requiring HMFA to develop guidelines instead of promulgating rules and regulations.

I commend the sponsors of this bill for advancing legislation that promotes broader access and opportunity to those individuals and families seeking to put down roots in New Jersey, investing in themselves and their communities through homeownership. Homeownership creates wealth, enhancing the educational, commercial, and intergenerational opportunities through the equity and access to capital that a home creates. Importantly, increasing first-time and first-generation homeownership also improves the health of our broader housing market.

While I wholeheartedly endorse the goal and objective of this legislation, I am recommending one revision to improve the administrability of the program and to ensure its financial viability in the fiscal year ahead.

My recommended change would appropriate \$8 million to the program to ensure that the program receives the same level of funding in Fiscal Year 2025 that it did in Fiscal Year 2024. I want to thank the Legislature for agreeing to this change as part of our comprehensive discussions on the budget.

Programs like HMFA's Down Payment Assistance Program and First-Time Homebuyer Program are crucial to advancing homeownership opportunities in every county and municipality in New Jersey. I am optimistic that my recommendations today, coupled with the many other housing, community, and economic development

initiatives that we have undertaken together, will create a stronger and fairer New Jersey for all.

Therefore, I herewith return Senate Bill No. 1446 (First Reprint) and recommend that it be amended as follows:

Page 5, Section 2, Line 27:

Insert new section:

"3. Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$8,000,000 from the New Jersey Affordable Housing Trust Fund is appropriated to the New Jersey Housing and Mortgage Finance Agency for the Down Payment Assistance Program established pursuant to Section 2 of P.L.2023, c.78 (C.55:14K-105), subject to the approval of the Director of the Division of Budget and Accounting."

Page 5, Section 3, Line 28:

Delete "3." and insert "4."

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor