



CITY OF JERSEY CITY

Division of Affordable Housing

The Regulations Governing Municipally Mandated Affordable Housing

2022



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INTRODUCTION

This Operating Manual has been prepared with the assistance of Piazza & Associates, Inc., the Consulting Administrative Agent for the City of Jersey City, to assist in the administration of rental units. General questions regarding its content can be addressed to The Division of Affordable Housing, 4 Jackson Square, Jersey City NJ 07305; by telephone to 201 547-5169; or by email at DOAH@jcnj.org.

This manual describes the basic content and operation of the program, examines program purposes, and provides the guidelines for implementing the program. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures.

This manual explains the steps in the rental process. It describes the eligibility requirements for participation in the program, record keeping and overall program administration.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities laws¹, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq.², the substantive rules of the Council on Affordable Housing N.J.A.C. 5:96³ and 5:97⁴ and the affordable housing regulations of the City of Jersey City (hereafter referred to as the "Regulations").

FAIR HOUSING AND EQUAL OPPORTUNITIES

In accordance with the Federal Fair Housing Act, it is unlawful to discriminate against any person making application to buy or rent a home with regard to age, race, religion, national origin, sex, handicapped or familial status. In addition, New Jersey Law prohibits discrimination in housing on the basis of race, creed, color, national origin, ancestry, nationality, marital or domestic partnership or civil union status, familial status, sex, gender identity or expression, affectional or sexual orientation, disability, source of lawful income or source of lawful rent payment (including Section 8) by all persons including real estate agents or brokers, financial institutions, property owners, landlords, or building superintendents, and their

Agents and employees with respect to the sale, rental or lease of real property, listing or advertising of real property, receipt or transmittal of offers to purchase or rent real property, application and terms of a mortgage or other loan.

¹ https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview

² http://www.nj.gov/dca/divisions/lps/hss/admin_files/uhac/uhac.pdf

³ <http://www.nj.gov/dca/services/lps/hss/statsandregs/596.pdf>

⁴ <http://www.nj.gov/dca/services/lps/hss/statsandregs/597.pdf>

Definitions

Administrative Agent means the entity responsible for administering the affordability controls with respect to specific restricted units, as designated pursuant to N.J.A.C. 5:80-26.14.

Low-income household means a household with a total gross annual household income equal to 50 percent (50%) or less of the median income.

Moderate-income household means a household with a total gross annual household income more than 50 percent (50%) but less than 80 percent (80%) of the median income.

Municipal Housing Liaison (MHL) means the municipal employee designated to ensure that all Affordable housing projects are established and administered according to the Regulations as outlined in an Operating Manual.

Very Low-Income Household (VLI) means a household with a total gross annual household income equal to thirty percent (30%) or less of the median household income.

Workforce Household is defined as a household in which the combined total annual income for all members of a household is not less than eighty percent (80%) and does not exceed one hundred and twenty percent (120%) of the median income. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size (Note: This AMI band is outside the scope of the definition of the term ‘affordable’ as defined by HUD).

Very Low-Income	0% - 29% AMI
Low Income	30% - 49% AMI
Moderate Income	50% - 80% AMI

What is Affordable Housing?

Affordable housing, unlike market rate housing, has affordability controls limiting the price for at least 30 years. The Regulations considers housing “affordable” if the household pays approximately 28% or less of the household’s gross income on housing costs. Affordable housing is priced to be affordable to households earning up to eighty percent (80%) of the area median income for the region in which the affordable housing is located.

Who Qualifies for Affordable Housing?

To be eligible for affordable housing in New Jersey, a household’s income will be below the income limit

for the region in which the affordable housing is located, either for low or moderate levels. A moderate-income household is classified as earning between 50 percent (50) % and 80 percent (80) % of the area median income. A low-income household is classified as earning less than 50 percent of area median income. The New Jersey Fair Housing Act (NJFHA) has included a new category for very low-income households, which are classified as earning less than 30 percent (30%) of area median income. Municipalities shall decide what projects will be required to help meet this obligation. Existing rental projects have a minimum requirement for very low-income apartments, priced at thirty-five percent (35%) of the AMI (prior to 2008, there was no very low-income requirement). New rental projects have an obligation to provide very low-income units at 30% of the AMI to very low-income households.

The Council on Affordable Housing (COAH) or its successors, Regional Income Limits Chart (Exhibit B) provides information about income limits for each of COAH's six housing regions. Each region has different calculated median incomes, which are adjusted periodically. The City of Jersey City is located in Hudson County, which is part of Region 1, together with Bergen, Passaic, and Sussex Counties.

Local Affordable Housing Programs for Rent

For a list of affordable housing programs currently being administered in the City of Jersey City, click here or go to: https://jerseycitynj.gov/CityHall/HousingAndDevelopment/affordable_housing.

A copy of the City of Jersey City Housing Element and Fair Share Plan is available at City Hall, located at 280 Grove Street, Jersey City, NJ 07302.

Other Affordable Housing Programs and Opportunities

Affordable housing throughout the State of New Jersey is administered by a wide variety of organizations and agencies. Individuals interested in applying for affordable housing should contact the Municipal Housing Liaison in the municipality in which they are interested in living. Each municipality has a Municipal Housing Liaison who is responsible for administering the municipality's affordable housing program. The Municipal Housing Liaison for the City of Jersey City can direct applicants to developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality. The Municipal Housing Liaison can be reached at 4 Jackson Square, Jersey City NJ 07305; by telephone to 201 547-5169; or by email at DOAH@jcnj.org.

The New Jersey Housing and Mortgage Finance Agency has established New Jersey's Housing Resource Center, an on-line, searchable database of affordable housing in the State. The Housing Resource Center provides a listing posted by developers, landlords, and municipalities of available affordable housing. Available units are listed with contact and application information. Look for the Housing Resource Center at www.njhrc.gov. The New Jersey Guide to Affordable Housing, which can be found at <http://www.state.nj.us/dca/divisions/codes/publications/guide.html>, is a listing compiled by the New Jersey Department of Community Affairs Division of Codes and Standards. It lists all types of affordable housing by county. The housing units on the list have a variety of qualification requirements, including age-restricted housing and housing for the developmentally disabled. Applicants who do not have access to the Internet should call 211 for assistance.

Overview of the Affordable Housing Administration Process for New Rentals and Re-Rentals

- The Municipal Housing Liaison serves as an initial point of contact for unsolicited calls to the municipality about affordable housing and, where appropriate, directs applicants to an Administrative Agent, who may be developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality.
- The Administrative Agent implements the municipality's Affirmative Marketing Plan (AMP).
- The Administrative Agent serves as the initial point of contact for all inquiries generated by the affirmative marketing efforts and sends out pre-applications to interested callers.
- An initial deadline date, no less than 60 days after the start of the marketing process, will be established. All the preliminary applications received by the Administrative Agents, on or before the initial deadline date, shall be deemed received on that date.
- Households that apply for affordable housing (i.e. very-low, low-, and moderate-income) will be pre-screened by a designated Administrative Agent for preliminary income eligibility by comparing their total income and household size to the most recent published income limits pursuant to the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq., ("UHAC"). A drawing will be held under the direction of the Administrative Agent to determine the priority order of the pre-qualified applications received on or before the initial deadline date. All preliminary applications received after the initial deadline, will be processed on a "first come, first served" basis after the applicants who were in the initial random selection. All households will be notified as to their preliminary status.
- To ensure an adequate supply of qualified applicants, the advertising phase will continue until there are at least ten (10) pre-qualified applicants for each low and moderate-income unit available, or until all the low- and moderate-income units within the development have been leased.
- When units become available, final applications will be provided by the Administrative Agent to an adequate number of pre-qualified applicants, according to their respective lottery drawing, for each available low and moderate- income unit. The final application will require the applicants to supply documents to verify their identity and household composition as well as their income and assets.
- Completed final applications will be received by the Administrative Agent, who will determine their eligibility for a low or moderate-income unit. Applicants will receive a letter from the Administrative Agent with respect to the status of their application each time a review is performed.

- A preference for applicant households that live or work in Housing Region 1 (Bergen, Hudson, Passaic and Sussex Counties) will be applied when reviewing final applications.
- When submitting final applications, applicants will also be asked to make an appointment to meet with the leasing agent.
- When applicants will be subject to the Tenant Selection Criteria set forth by the Landlord. These criteria include, but are not limited to, background and credit checks. Landlords must adhere to all state and federal fair housing laws, including New Jersey's recently enacted Fair Chance in Housing Act. <https://www.njoag.gov/about/divisions-and-offices/division-on-civil-rights-home/fcha/>.
- Certified applicants will be given at least five calendar days to sign a lease with the landlord or developer.
- When a unit becomes available, the Administrative Agent will proceed with the income qualification process.
- For rental units, the Administrative Agent will provide certifications that must be signed and notarized by the applicant.
- The certified household moves into the affordable rental unit.

Overview of the Affordable Housing Administrative Process for New Sales Units

- An initial deadline date, no less than 60 days after the start of the marketing process, will be established. All of the preliminary applications received by the Administrative Agent, on or before the initial deadlines date, shall be deemed received on that date.
- Households that apply for low- and moderate-income housing will be prescreened by the Administrative Agent for preliminary income eligibility by comparing their total income and household size to the low- and moderate-income limits adopted by COAH or its successors and other program restrictions that may apply. All households will be notified as to their preliminary status.
- A drawing will be held under the direction of the Administrative Agent to determine the priority order of the pre-qualified applications received on or before the initial deadline date. All preliminary applications received after the initial deadline, will be processed on a "first come, first served" basis after the applicants who were in the initial random selection.
- To ensure an adequate supply of qualified applicants, the advertising phase will continue until there are at least ten (10) pre-qualified applicants for each low- and moderate-income unit available, or until all the low- and moderate-income units within the development have been sold.
- Final applications will be provided by the Administrative Agent to an adequate number of pre-

qualified applicants, in priority order, for each available low- and moderate-income unit. The final application will require the applicants to supply documents to verify their identity and household composition as well as their income and assets.

- Completed final applications will be forwarded to the Administrative Agent who will determine their eligibility for a low- or moderate-income unit. Applicants will receive a letter from the Administrative Agent with the status of their application each time a review is performed.
- When submitting final applications, applicants will also be asked to provide a pre-qualification letter from a qualified lending institution.
- Certified applicants will be given 15 days to sign a sales agreement with the developer. Mortgage contingencies may not be an acceptable term of the agreement.
- The sales agreement may also limit closing to a reasonable time to be approved by the Administrative Agent in advance of the process.
- Subsequent to the initial sale closings, a list of pre-qualified applicants will be maintained by the Administrative Agent on a re-sale waiting list. For projects with less than 10 units, a general sales waiting list will be maintained, in priority order, which will be used to fill any new sales projects with less than 10 units.

Overview of the Affordable Housing Administration Process for the Resale of Units

When an Owner of a restricted unit wishes to sell, the sale will be processed through the Administrative Agent. Prior to the initial date of purchase, the Owner makes a certification regarding his or her understanding of this requirement.

The Administrative Agent coordinates certain aspects of the sales process for affordable homes on behalf of designated municipalities. The Administrative Agent is not a real estate agent, however, and recommends that the Seller use a qualified real estate professional. The process is outlined below.

- The Seller submits a Preliminary Notice and Request for Maximum Sale Price (MSP).
- The Administrative Agent will respond to the Seller in writing, explaining some of the details of the process and informing the Seller of the MSP. The MSP is calculated by using Annual Regional Income Limits Chart or approved alternative and can be estimated by DOAH upon request.
- The Seller then submits a Final Notice of Intention to Sell to the Administrative Agent.
- The Administrative Agent will respond by sending 20 copies of Preliminary Applications to the Seller, specially marked with the address of the affordable home at the top.
- The Administrative Agent will send a “Notice of Availability” to households on the waiting list for an affordable home of the same bedroom size and income category. The Notice will ask interested households to contact the Seller or their agent, directly, to make an appointment to

see the affordable home within a two-week time frame. The Seller may want to prepare a flyer for us to distribute with the notice of availability. The Administrative Agent reserves the right to limit the number of notices that are mailed, based on the chronological order in which the prequalified applications were received. If the notices are limited in this way, applicants receiving notices will have a priority over those who do not.

- The Administrative Agent will affirmatively market the unit if there is no current applicant pool.
- The Seller or their agent may also want to advertise. Ads should include the “Equal Housing Opportunity” logo and should be sent to our office for review prior to distribution.
- The Seller or their agent, upon showing the home, provides potential buyers with a copy of the Preliminary Application (which may be duplicated if necessary).
- Interested households complete the application together with a mortgage pre-approval letter from a qualified lending institution.
- At the end of the two-week period, the Administrative Agent collects all the Preliminary Applications submitted for a particular home. These forms are prioritized based on a blind selection process or lottery. Preference may be given to households that can utilize all the bedrooms, as well as handicap accommodations, when applicable.
- The first applicant or two on the prioritized list is sent a letter which requires them to complete a final application within fourteen days. When an applicant is approved as a buyer, a copy of the approval letter is sent to the Seller and their agent.
- The Seller and the certified interested household (now Buyer) execute a “Contract of Sale.” The Administrative Agent ensures that the Deed, Recapture Mortgage, Recapture Mortgage Note and Disclosure Statement form (Appendix Q in this manual, Appendix J of UHAC) are submitted as part of the closing package to the attorney responsible for the closing or other closing agent.
- The remaining applicants are maintained on the waiting list for this home or other homes in the same size and income categories. If the potential buyer is not able and/or willing to purchase the affordable home, the next applicant on the prioritized list is notified pursuant to the process described above.
- When an applicant is in second priority position to purchase an affordable home (the original home), and another home of the same size and type in the same municipality (the next home) becomes available within 90 days of the lottery date of the original home, the applicant will have the option to transfer priority from the original home to the next home. The following conditions will apply: This opportunity only applies to the next home of the same bedroom number and income category as the original home that becomes available within the 90-day period. This offer will be made only one time and only for the next home. It does not apply to other similar homes

that become available. The applicant must have completed a final application and be pre-qualified for the original home to be considered. The applicant will be notified by phone that an alternate home is available. The applicant will then have 3 business days in which to view the next home and make the determination if he/she would like to pursue that purchase. If so, the applicant would relinquish the secondary priority position for the original home. Once the decision to transfer to the next home is made, the applicant cannot be reinstated to the secondary position for the original home if he/she is unwilling to purchase the next home. Conversely, once the decision is made to remain in the secondary position for the original home, the applicant cannot then transfer to the next home if he/she is unable or unwilling to purchase the original home.

- A copy of the Sales Contract will be submitted to the Administrative Agent prior to closing. The terms of the contract (e.g., closing dates and mortgage contingencies) should be reasonable to both buyer and seller.
- During the final stages of the process, the Seller should provide a “Notice of Intent to Transfer Title” form. It will be necessary to make arrangements for the Mortgage and Note to be satisfied with respect to the Seller and new documents filed with respect to the Buyer.
- A copy of the TILA-RESPA or HUD Closing Statement (as applicable) will be submitted to the Administrative Agent. A certified copy of the recorded deed, the original recorded repayment mortgage and note, and the certificate of ownership should also be sent to the Administrative Agent after closing.
- The filing and recording of documents is the responsibility of the seller’s or buyer’s attorney, but the Administrative Agent may also elect to file the documents. Once all documents are filed, recorded, and returned to the Administrative Agent for inclusion in the file, the Administrative Agent will process a release of the original documents.
- Annually, the Administrative Agent shall send a mailing to the Owner of the affordable unit reminding them of the rights and requirements of owning an affordable unit.

This outline is meant to describe the process utilized prior to the expiration of the deed restrictions. It is not meant to be a legal representation of the rights or responsibilities of any party, nor is it meant to modify the Affordable Housing Agreement, Mortgage Note or other Deed Restrictions. Buyers and Sellers are encouraged to seek legal counsel for specific questions in this regard. The Administrative Agent is available to both the Seller and the Buyer throughout the process to answer any questions that they may have.

ROLES AND RESPONSIBILITIES

Responsibilities of the Municipal Housing Liaison (MHL)

The Municipal Housing Liaison is responsible for coordinating all the activities of the municipal government as it relates to the creation and administration of affordable housing units, in conjunction with the Municipal Attorney, where appropriate (see Responsibilities of the Municipal Attorney). The primary purpose of the MHL is to ensure that all affordable housing projects are established and administered according to the regulations as outlined in this Operating Manual. The duties of the MHL include the following duties and, in some cases, may include the responsibilities for providing administrative services as described in the next Section under Responsibilities of an Administrative Agent.

Monitor the status of all municipally mandated restricted units in the DOAH portfolio. Regardless of any arrangements the municipality may have with one or more Administrative Agents, it is the Municipal Housing Liaison's responsibility to know the status of all restricted units in the DOAH portfolio.

Serve as the municipality's primary point of contact for all inquiries from the State, Administrative Agents, developers, affordable housing sponsors, owners, property managers, and interested households. The MHL serves as the municipality's primary point of contact on affordable housing issues. Interested applicants should be provided with information on the types of affordable units within the municipality and, where applicable, the name of the Administrative Agent that manages the units and the contact information for the Administrative Agent.

Compile, verify and submit annual reporting. Administrative Agents are responsible for collecting much of the data that is ultimately included in an annual monitoring report. However, it is the Municipal Housing Liaison's responsibility to collect and verify this data and consolidate it into the annual report. Any requests for additional information or corrections will be directed to the MHL.

Coordinate meetings with Administrative Agents and Developers/Affordable Housing Sponsors/Owners. When a new affordable unit or series of units is in the planning process, the MHL should coordinate a meeting between the Administrative Agent and the developer, affordable housing sponsor or owner. The developer, affordable housing sponsor or owner may serve as their own Administrative Agent, if they meet the applicable requirements and are approved by the municipality. The purpose of this initial meeting is to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all Affordable Housing-related local ordinances -- that have already been adopted by the municipality.

It is the responsibility of the Municipal Housing Liaison, in conjunction with the Municipal Attorney, to have the affordable housing provisions of any Master Deed and Public Offering reviewed for consistency with the UHAC regulations before they are recorded and submitted to the Hudson County Register for approval.

Responsibilities of an Administrative Agent

The primary responsibility of an Administrative Agent is to establish and enforce affordability controls and ensure that units in the Administrative Agent’s portfolio are leased or sold to eligible households.

Administrative Agents will:

Secure written acknowledgement from all developers, affordable housing sponsors and owners that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.

Administrative Agents will also be responsible for the following activities for rental and ownership units, respectively.

Rental Units	Ownership Units
<ol style="list-style-type: none"> 1. Adhere to the City’s Operating Manual. All Administrative Agents are required to abide by the policies and procedures of this Operating Manual, as applicable to the scope of services they have been contracted to perform. 2. Implement the municipality’s Affirmative Marketing Plan. The Administrative Agent, the developer, affordable housing sponsor or owner responsible for implementing the Affirmative Marketing Plan adopted by the municipality. At the first meeting with the Municipal Housing Liaison, Administrative Agent and the developer, affordable housing sponsor or owner, this responsibility should be discussed. Affirmative marketing includes conducting regional outreach and advertising for available affordable units. Advertising costs are the responsibility of the developer or current owner. 3. Accept applications from interested households. In response to marketing initiatives or by referral from the Municipal Housing Liaison, interested households will contact the Administrative Agent. The Administrative Agent will supply applicants with applications, provide additional information on available units and accept completed applications. 4. Conduct random selection of applicants for restricted units. The Administrative Agent is responsible for conducting the random selection in accordance with the Affirmative Marketing Plan and any related local ordinances, and as described in the Operating Manual. 	<ol style="list-style-type: none"> 1. Adhere to the City’s Operating Manual. All Administrative Agents are required to abide by the policies and procedures of this Operating Manual, as applicable to the scope of services they have been contracted to perform. 2. Implement the municipality’s Affirmative Marketing Plan. The Administrative Agent, the developer, affordable housing sponsor or owner responsible for implementing the Affirmative Marketing Plan adopted by the municipality. At the first meeting with the Municipal Housing Liaison, Administrative Agent and the developer, affordable housing sponsor or owner, this responsibility should be discussed. Affirmative marketing includes conducting regional outreach and advertising for available affordable units. Advertising costs are the responsibility of the developer or current owner. 3. Accept applications from interested households. In response to marketing initiatives or by referral from the Municipal Housing Liaison, interested households will contact the Administrative Agent. The Administrative Agent will supply applicants with applications, provide additional information on available units and accept completed applications. 4. Conduct random selection of applicants for restricted units. The Administrative Agent is responsible for conducting the random selection in accordance with the Affirmative Marketing Plan and any related local ordinances, and as described in the Operating Manual. 5. Create and maintain a pool of applicant households. This includes reaching out to households in the applicant pool to determine continued interest and/or changes in household size and income.

Rental Units

5. **Create and maintain a pool of applicant households.** This includes reaching out to households in the applicant pool to determine continued interest and/or changes in household size and income.
6. **Determine eligibility of households.** The task of collecting application materials and documentation from applicant households and analyzing it for eligibility is the responsibility of an Administrative Agent. A written determination on a household's eligibility will be provided within twenty (20) days of the date that the Administrative Agent or property manager receives an application with supplemental documentation. Whether or not the household is determined to be eligible for a unit, it is the responsibility of the Administrative Agent or property manager to secure all information provided by the household in individual files and to maintain strict confidentiality of all information regarding that household. An Administrative Agent is required to ensure that all certified applicants execute a Disclosure Statement acknowledging the rights and requirements of renting an affordable unit, in the form of Appendix K of UHAC (Appendix R of this manual).
7. **Establish and maintain effective communication with property managers and landlords.** Property managers and landlords of restricted units should be instructed and regularly reminded that the Administrative Agent is their primary point of contact. The Administrative Agent must immediately inform all property managers and landlords of any changes to the Administrative Agent's contact information or business hours.

Property managers and landlords should be instructed to immediately contact the Administrative Agent:
 - Immediately upon learning that an affordable unit will be vacated.
 - For review and approval of annual rental increases.
8. **Provide annual notification of maximum rents.** Each year when COAH, or its successor, releases its low- and moderate-income limits, rental households must be notified by the DOAH of the new maximum rent that may be charged for their unit. The designated Administrative Agent's contact information

Ownership Units

6. **Determine eligibility of households.** The task of collecting application materials and documentation from applicant households and analyzing it for eligibility is the responsibility of an Administrative Agent. A written determination on a household's eligibility will be provided within twenty (20) days of the date that the A or property manager receives an application with supplemental documentation. Whether or not the household is determined to be eligible for a unit, it is the responsibility of the Administrative Agent or property manager to secure all information provided by the household in individual files and to maintain strict confidentiality of all information regarding that household. An Administrative Agent is required to ensure that all certified applicants execute a Disclosure Statement acknowledging the rights and requirements of owning an affordable unit, in the form of Appendix J of UHAC (Appendix Q of this manual).
7. **Establishing and maintain effective communication with owners and property manager.** Owners and property managers or restricted units should be instructed and regularly reminded that the Administrative Agent is their primary point of contact. The Administrative Agent will immediately inform all owners and property managers of any changes to the Administrative Agent's contact information or business hours. The Administrative Agent will create and distribute annual mailings to all Owners of affordable units remind them of the rights and requirements of owning an affordable unit.

Owners should be instructed to immediately contact the Administrative Agent in the following circumstances:
 - If they are considering or have decided to sell their home.
 - In the event they wish to refinance their mortgage or take out a home equity loan and, consequently, will be seeking a subordination of their mortgage.
 - If they are seeking an increase in the sales price of their unit due to capital improvements.
 - If they are seeking an increase in the sale price of their unit due to capital improvements.
 - If they are seeking a Hardship Waiver to allow them to rent their unit.
8. **Preserve affordability controls during the sale of restricted units.** Immediately upon being notified of an Owner's intent to sell their property, and Administrative Agent should inform the Owner of the Owners' role in the marketing and sale of the home. An Administrative Agent is responsible for

Rental Units	Ownership Units
<p>must be included on such notification in case the tenant is being overcharged. This information will also be available on the Division of Affordable Housing (DOAH) webpage and will be attached to this manual.</p>	<p>extinguishing the affordability controls with the Seller and re-establish them with the Buyer. An Administrative Agent is responsible for providing closing attorney /agents with the appropriate legal instruments.</p>
<p>9. Serve as the custodian of all legal documents. An Administrative Agent is responsible for maintaining originals of all legal instruments for the units in their portfolio. Throughout the duration of a control period, an Administrative Agent must maintain a file containing its affordability control documents. This includes, but is not limited to, the recorded Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes and Appendix J and K.</p>	<p>9. Ensure cancellations of Recapture Mortgages are effectuated. It is the Administrative Agent’s responsibility to ensure that Recapture Mortgages are cancelled at the conclusion of the control period when the Recapture Mortgage is satisfied. If the Recapture Mortgage is being cancelled due to a sale of the property during the control period, then the Administrative Agent may wish to cancel the original Recapture Mortgage only after the Recapture Mortgage with the new Owner has been recorded.</p>
<p>10. Serve as point of contact on all matters relating to affordability controls. It is recommended that the Administrative Agent develop a system to be notified by lenders when a unit is at risk of foreclosure. In the event of a foreclosure, the Administrative Agent should work with the foreclosing institution to ensure that the affordability controls are maintained. The Administrative Agent should seek the counsel of the municipality’s attorney on legal matters that threaten the durability of the affordability controls.</p>	<p>10. Send out annual mailings about restrictions. Administrative Agents will annually mail to all Owners of affordable housing units a reminder of their rights and responsibilities as Owners of an affordable unit.</p>
<p>11. Provide annual activity reports to Municipal Housing Liaison for use in the annual monitoring report. An Administrative Agent is responsible for collecting the reporting data on each unit in the Administrative Agent’s portfolio.</p>	<p>11. Ensure unit has Continuing Certificate of Occupancy at final transfer. To help ensure a healthy and safe living environment for all families, and Administrative Agent is responsible for obtaining an inspection or a certified statement from the local Building Inspector at the first sale after the expiration of the minimum affordability control period.</p>
<p>12. Maintain and distribute information on HUD-approved Housing Counseling Programs.</p>	<p>12. Serve as the custodian of all legal documents. An Administrative Agent is responsible for maintaining originals of all legal instruments for the units in their portfolio. Throughout the duration of a control period, an Administrative Agent will maintain a file containing its affordability control documents. This includes, but is not limited to,</p> <ul style="list-style-type: none"> • the recorded Declaration of Covenants, • Conditions and Restrictions, • Deed Restrictions, • Deed, • Recapture Mortgages, • Recapture Mortgage Notes, and • Disclosure Statement
	<p>13. Serve as point of contact on all matters relating to affordability controls. It is</p>

Rental Units

Ownership Units

recommended that the Administrative Agent develop a system to be notified by lenders when a unit is at risk of foreclosure. In the event of a foreclosure, the Administrative Agent should work with the foreclosing institution to ensure that the affordability controls are maintained. The Administrative Agent should seek the counsel of the municipality's attorney on legal matters that threaten the durability of the affordability controls.

14. **Provide annual activity reports to the Municipal Housing Liaison for use in the annual monitoring report.** An Administrative Agent is responsible for collecting the reporting data on each unit in the Administrative Agent's portfolio.
15. **Maintain and distribute information on HUD-approved Housing Counseling Programs.**

Responsibilities of the Municipal Attorney

The Law Department of the City of Jersey City (the “Municipal Attorney”) assists the municipality with developing, administrating, and enforcing affordability controls, including but not limited to:

- Assisting the Division of Affordable Housing with the review of the affordable housing provisions of any Master Deed and Public Offering for consistency with UHAC regulations and codified in Chapter 188 of the Jersey City Municipal Code.
- Providing all reasonable and necessary assistance in support of the Division of Affordable Housing’s efforts to ensure compliance with the housing affordability controls, including reviewing legal documents and legal actions required on foreclosures and violations.

Responsibilities of Developers

When a new affordable unit or series of units is in the planning process (i.e. upon submission of a General Development Application to the Division of City Planning), the developer of the affordable housing should contact the Division of Affordable Housing, whose staff shall coordinate a meeting with the designated Administrative Agent, where applicable, and the developer, affordable housing sponsor or owner.

The purpose of this initial meeting is to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all affordable-related local ordinances -- that have already been adopted by the municipality. It is critical that Developers coordinate with the DOAH during the planning process to ensure that

1. the types of units and the affordability level of those income-restricted units are in compliance with City law and UHAC standards;
2. the affordable units are distributed evenly throughout the development;
3. the floor area of each affordable unit type is comparable to a market rate unit of the same type; and
4. the affordable units have the same finishes and appliances

The Division of Affordable Housing will secure an Affordable Housing Agreement from the developer acknowledging that no restricted unit can be offered, or in any other way committed, to any person other than a household duly certified by the designated Administrative Agent.

Note: *Per §188-17 and N.J.A.C. 5:80-26.14(e), DOAH reserves the right to deny any entity from conducting affordable housing marketing activities who do not have the required experience or fails to meet the requirements for Administrative Agents outlined herein. U.H.A.C regulations includes the following criteria for determining whether a private entity should be designated as an Administrative Agent.*

- *Documentation which demonstrates that the private entity’s purposes include the provision of housing services and housing counseling and the promotion of the principles underlying the Federal Fair Housing laws and that the private entity has knowledge of and familiarity with the New Jersey Fair Housing Act, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.) and its implementing rules;*

- *Evidence of a history of successful management of restricted affordable housing units, particularly those produced as a result of the New Jersey Fair Housing Act or through a Mount Laurel court settlement;*
- *Documentation of the private entity’s capacity to undertake the duties of an Administrative Agent;*
- *A statement of intent to attend continuing education opportunities on affordability controls and compliance monitoring when available; and*
- *Such other relevant documents from a specific applicant as required by the municipality to justify approval as an Administrative Agent.*

Responsibilities of Owners of Rental Developments

Open and direct communication between the Owners of rental developments, the Municipal Housing Liaison and the designated Administrative Agent is essential to ongoing administration of affordability controls. Although the Administrative Agent is required to serve as the primary point of contact with households, the Owner must provide the Municipal Housing Liaison and Administrative Agent with information on vacancies. Owners of rental developments are also responsible for working with the Administrative Agent to ensure that the Municipal Housing Liaison has all necessary information to complete the annual reporting.

Note: *Per § 188-18 of Chapter 188, failure to submit annual, quarterly, or bi-annual reports (as established in each executed Affordable Housing Agreement between the City and developer) would constitute a violation and result in fines. DOAH provides developers and their approved Administrative Agent to provide reports within 10 days of reporting dates.*

Responsibilities of Owners of an Affordable Housing Unit

Owners should read annual mailings from the Administrative Agent and cooperate with all requests for information from either the Municipal Housing Liaison or the Administrative Agent.

The Owner may sell the unit only to a household that has been approved in advance and in writing by the Administrative Agent. No sale of the unit shall be lawful unless approved in advance and in writing by the Administrative Agent. No sale shall be for a consideration greater than the maximum resale price, as determined by the Administrative Agent.

When an Owner wishes to sell an affordable unit, it is the Owner’s responsibility to notify the Administrative Agent and to execute a “Notice of Intent to Sell”. If a potential, certified Buyer makes an offer of the maximum resale price of an affordable unit, then the Owner is obligated to enter into a sales contract with that Buyer for the sale of that unit or withdraw the “Notice of Intent to Sell”.

An Owner may not rent out the Owner’s unit to any other person, not even to members of the Owner’s family.

The Owner shall always maintain the unit as his or her principal place of residence, defined as residing at

the unit at least 260 days out of each calendar year.

An Owner shall make no improvements that would alter the unit's bedroom configuration or increase the maximum permitted resale price, except for improvements approved in advance and in writing by the Administrative Agent.

The Owner shall pay all taxes and public assessments and assessments by the condominium association levied upon or assessed against the unit, or any part thereof, when they become due and before penalties accrue.

The Owner shall pay all charges of any utility authority when they become due and before penalties accrue.

The Owner shall not permit any lien, except those approved by the Administrative Agent, to attach and remain on the property for more than 60 days.

The Owner will have approval of the Administrative Agent if they wish to refinance their mortgage or take out a home equity loan and, consequently, will be seeking a subordination of their mortgage.

If any first mortgages or other creditor of an Owner of a low- or moderate-income unit exercises its contractual or legal remedies available in the event of default or nonpayment by the Owner of a low- or moderate-income unit, the Owner shall notify the Administrative Agent in writing within 10-days of such exercise by the first mortgagee or creditor and no later than 10 days after service of any summons and complaint.

An Owner shall notify the Administrative Agent within 10 days, in writing, of any default in the performance by the Owner of any obligation under either the master deed of the condominium association, including the failure to pay any lawful and proper assessment by the condominium association, or any mortgage or other lien against the low- or moderate-income unit, which default is not cured within 60 days of the day upon which the default first occurs.

Responsibilities of Landlords and Property Managers

Landlords and property managers must place a notice in all rental properties annually informing residents of the rent increase for the year and the contact information for the Administrative Agent.

AFFIRMATIVE MARKETING

Overview of the Requirements of an Affirmative Marketing Plan

All affordable units are required to be affirmatively marketed using the City of Jersey City’s Affirmative Fair Housing Marketing Plan (AFHMP). An AFHMP is a regional marketing strategy designed to attract households of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children to housing units which are being marketed by an Administrative Agent or a developer, sponsor, owner, or property manager of affordable housing. The primary objectives of an AFHMP are to target households who are least likely to apply for affordable housing, and to target households throughout the entire housing region in which the units are located.

Every AFHMP will include the following:

Publication of at least one advertisement in a newspaper of general circulation within the housing region; and

At least one additional regional marketing Strategy such as a neighborhood newspaper, religious publication, organizational newsletter, advertisement(s) with major employer(s), or notification through community and regional organizations such as non-profit, religious and civic organizations

Note: *Developers and property managers may satisfy the newspaper advertising requirement by circulating a published notice once per week for four weeks in the Hudson Reporter, The Jersey Journal, and Reporte Hispano.*

For each affordable housing opportunity within the municipality, the AFHMP will include the following information:

Rental Units	Ownership Units
<ul style="list-style-type: none"> • The address of the project and development name, if any • The number of units, including number of available affordable rentals • The rental rates of the rental units • The name and contact information of the Administrative Agent or property manager. • A description of the Random Selection method that will be used to select applicants for affordable housing • Disclosure of required application fees, if any, along with a note clarifying that application fees shall be charged upon selection from the lottery prior to certification 	<ul style="list-style-type: none"> • The address of the project and development name, if any • The number of units, including number of available sales units • The price ranges of the sales units • The name and contact information of the Municipal Housing Liaison, Administrative Agent, or property manager • A description of the Random Selection method that will be used to select applicants for affordable housing • Disclosure of required application fees, if any.

Advertisements will contain the following information for each rental affordable housing opportunity:

Rental Units	Ownership Units
<ul style="list-style-type: none"> • To The address of the project and development name, if any • A range of rents for the housing units • The number of bedrooms within the units • The maximum income permitted to qualify for the housing units • The address of applications for the housing units • Application fees, if any 	<ul style="list-style-type: none"> • The location of the units • A range of prices for the housing units • The bedroom size(s) of the units • The maximum income permitted to qualify for the housing units • The locations of applications for the housing units • The business hours when interested households may obtain an application for a housing unit • Application fees, if any

Regional Preference

The City of Jersey City has, by ordinance, provided that households that live or work in Housing Region #1, comprising Bergen, Hudson, Passaic and Sussex Counties, shall be selected for an affordable housing unit before households from outside this region. Units that remain unoccupied after households who live or work in the region are exhausted, may be offered to the households outside the region.

Regional Preference is screened at the Final Application stage (i.e., following a scheduled lottery where those applicants within Housing Region #1 are filtered from the general applicant pool and contacted first in the order of the newly assigned lottery numbers) of the process.

Implementation of the Affirmative Fair Housing Marketing Plan

The affirmative marketing process for new affordable units shall begin at least four months prior to expected occupancy. In implementing the marketing program, the Administrative Agent shall undertake all the strategies outlined in the City of Jersey City’s AFHMP. Advertising and outreach shall take place during the first week of the marketing program and each month thereafter until all the units have been leased or sold. Applications for affordable housing shall be available in several locations in accordance with the AFHMP. The time period when applications will be accepted will be posted with the applications. Applications shall be mailed to prospective applicants upon request.

Guidelines for the management of applicant pools and the selection of applicants from applicant pools under the rental and sale process will need to be conducted as follows.

Rental Units	Ownership Units
<ul style="list-style-type: none"> • An applicant pool will be maintained by the Administrative Agent for re-rentals. • When a re-rental affordable unit becomes available, the applicants will be selected from the applicant pool and, if necessary, the unit will be affirmatively marketed as described, above 	<ul style="list-style-type: none"> • An applicant pool will be maintained by the Administrative Agent for re-sales. For new sales projects with less than 10 units, a general sales waiting list will be maintained, in priority order, to fill units in new sales projects. • When a resale affordable unit becomes available, the applicants will be selected from the applicant pool and the unit will be affirmatively marketed as described in the Resale process, above.

The selection of applicants from the applicant pool is described in more detail in this manual under “Random Selection & Applicant Pool(s).”

Developer, Affordable Housing Sponsor

The developer or affordable housing sponsor is responsible for advertising the affordable housing in accordance with the municipality's adopted AFHMP. Prior to publication or broadcast, draft copies of the marketing material will be submitted to the Division of Affordable Housing for approval. Proof of publication (i.e., tear sheets and invoice receipts) will be submitted to the Division of Affordable Housing, including a copy of the final advertisements with a copy of the paid bill. Publication of the affordable units on the New Jersey Housing Resource Center's website shall be executed by the designated Administrative Agent.

Random Selection and Pool(s)

1. Applicants are selected at random before income-eligibility is determined, regardless of household size or desired number of bedrooms. The process is as follows:
2. After advertising is implemented, applications are accepted for 60 days. The applications are prescreened for eligibility. Applicants that are deemed, at this stage, to be ineligible are sent a notice and given an opportunity to clarify or correct any information. This will be done in writing.
3. Prescreened applications are entered into a data base and sorted by the unit size and affordability type that is appropriate. Applicants are sent letters as to their eligibility during this preliminary application stage.
4. Prior to the lottery (i.e. the randomization process), a list of applicants will be sent to the Municipal Housing Liaison (MHL) in the order in which the applications were received. This list should be maintained in the file so that the MHL can verify the establishment of the order of the list in advance of the random selection.
5. At the end of the 60-day period, the designated Administrative Agent arranges a time and date for the random selection process to take place. The MHL or designee must attend and a representative of the developer is invited and encouraged to attend. An announcement of the time and date is made in advance of the lottery.
6. It is important to note that applicants need not be present at the random selection, and that there is no advantage given those applicants who do attend.
7. At the random selection, a website is used to generate a random list of numbers. The numbers are applied to the list in the order that was prearranged. A copy of the random numbers and the final list are sent to the MHL for verification and filing
8. All applicants are assigned a random number. A random number does not guarantee that the applicant will be deemed eligible. Applicants who submit more than one application and

receive more than one priority number will forfeit the lower number with the highest priority.

9. When units become available, final applications are sent in the prioritized order as specified previously.
10. If there are sufficient names remaining in the pool to fill future re-rental, the applicant pool shall be closed.
11. The lottery list(s) for each development shall amount to at least 200% of the total affordable units in the development for the same income level at any given point in time. For the purposes of calculating total number of households on a lottery list, each primary applicant will be counted as one household, regardless of the number of prospective occupants listed on the primary occupant's application.
12. For future re-rentals only, the Administrative Agent can keep the applicant pool open after the initial lottery to be use as a waiting list. The Administrative Agent would then add names (based on the time and date that an application was submitted) for future lotteries when units become vacant.
13. For re-sales, applications received after the initial random selection may be subject to a random selection on a per-unit basis.

MATCHING HOUSEHOLDSTO AVAILABLE UNITS

In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to implement the following policies:

Provide an occupant for each unit bedroom

Prevent more than two persons from occupying a single bedroom

Require that all the bedrooms be used as bedrooms

A household is placed only on one unit list for eligibility. A household may choose to change the unit type for which they are eligible within the scope of the program.

APPLICATION FEES

The Administrative Agent does not charge a fee to applicants, but the developer may charge an application fee upon commencement of an applicant's certification process. In some cases, the Property Manager, Developer and Administrative Agents are the same entities, in which case the application fee will apply.

HOUSEHOLD CERTIFICATION

Before any household can lease a restricted unit, the Administrative Agent will certify the household as eligible. Certification of a household involves the verification of two critical pieces of data: 1) Household size and composition; and 2) The total income and assets for all household members 18 years of age or older. The certification process begins with the applicant completing an application in its entirety and providing the required backup documentation. Once eligibility documents and data have been collected, the Administrative Agent can begin the process of calculating the household's income.

Generally, a Household is defined as everyone who intends to reside in the affordable unit. Temporarily absent members of a household will be counted in very limited circumstances, such as a member of the military in active duty. Unborn children and children in the process of being adopted shall be counted as members of the household.

Note: *During the re-certification of a household occupying an income-restricted unit, the Administrative Agent must confirm that the unit is being maintained as the household's primary residence. The means of confirming such residency may include, but is not limited to the following:*

- NJ driver's license/non-driver identification card, or a Motor Vehicle Commission issued driver license renewal form;
- Property tax bill, statement, or receipt of any letter or correspondence received from the IRS or state tax office within the past year;
- Original unexpired lease or rental agreement with name of applicant as lessee or renter;
- Checking or savings account statement from a bank or credit union issued within the last 60 days;
- If under 18, statement from parent or guardian certifying address of household;
- Utility or credit card bill issued in the past 90 days;
- A deed or title to real property;
- First class mail from any government agency in the past six months; or
- High school or college report card or transcript within the past two years

Household Composition and Circumstances

The following are generally excluded from the household for the purposes of income qualifying but may be considered by the Administrative Agent for the purposes of determining the size of the unit: live-in aid, foster children and children who live in the household with less than 50% joint physical custody.

The following are various records for documenting household information:

Social Security records or cards. Either individual Social Security card or letter from Social Security Administration

Adoption papers, or legal documents showing adoption in process

Income Tax Return

Driver's License

Birth Certificate or Passport

Alien Registration Card

Divorce Decree and Settlement Agreement

Adoption Agency / Legal Correspondence and/or Certification

Correspondence / Certification from Foster Care Services

Doctor's Authorization for Live-in Aid

The Administrative Agent always reserves the right to require any other such documentation that, in its sole discretion, it deems necessary to verify composition

Procedure for Income-Eligibility Certification

To calculate income, the current gross income of the applicant is used to project that income over the next 12 months. Applicants may NOT change or modify their situation relative to their income once they have submitted a Final Application.

Through the submission of the Final Application, the Administrative Agent shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income. The application and a schedule of required documentation can be found in the Appendix. Generally, the documentation required is as follows:

- Four current consecutive pay stubs, including bonuses, overtime or tips, or a signed and dated letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
- Federal and State income tax returns for each of the preceding three tax years. A Form1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
- A letter or appropriate reporting form verifying current monthly benefits such as:

Social Security or SSI – Award letter or computer printout letter

Unemployment – verification of Unemployment Benefits

Welfare -TANF7 current award letter

Disability - Worker’s compensation letter

Pension income – a pension letter

- A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony, child support and education stipends.
- Current reports of savings and checking accounts (bank statements and passbooks) and income reports from banks or other financial institutions holding or managing trust funds, money market accounts, certificates of deposit, stocks, or bonds.
- Evidence or reports of income from directly held assets, such as real estate or businesses, interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
- Current reports of assets – Market Value Appraisal or a contract with a real estate broker which sets forth the price of the property and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property, attach copies of all leases.
- The Administrative Agent always reserves the right to require any other such documentation that, in its sole discretion, it deems necessary to verify household income.

The following is a list of various types of wages, payments, rebates and credits. Those that are considered as part of the household’s income are listed under Income. Those that are not considered as part of the household’s income are listed under “Not Income”.

Income

Wages, salaries, tips, bonuses, commissions, milage reimbursement

Alimony

Regularly scheduled overtime

Pensions and regular distributions from retirement account

Social security benefits

Unemployment compensation (annualized)

TANF

Disability benefits

Verified regular child support

Net income from business or real estate

Actual interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds

Imputed interest (using a current average annual rate of two percent from non-income producing assets, such as checking accounts, cash on hand, and equity in non-income producing real estate

Non-tuition stipends for living expenses for students

Non-Governmental financial support

Any other forms of regular income reported to the Internal Revenue Service

Regular financial support from any source.

Not Income

Rebates or credits received under low-income energy assistance programs

Food stamps

Payments received for foster care

Relocation assistance benefits

Income of live-in attendants

Scholarships

Student loans

Personal property such as automobiles

Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements

Part-time income of persons enrolled as full-time students

Deduction from Income

Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

Student Income

Only full-time income of full-time students is included in the income calculation. A full-time student is a member of the household who is enrolled in a qualifying education program for 12 credit hours or more per semester; and part-time income is income earned on less than a 35-hour workweek. Full time income (35 hours or more) for full-time students is always counted.

The Real Estate Asset Limit

Except for federal programs, if an applicant's primary residence, which is to be sold upon purchase of an affordable unit, has no mortgage debt and is valued at or above the regional asset limit as published annually by COAH or their successor as part of the Annual Regional Income Limits Chart, the household will be determined ineligible for certification.

However, if the applicant's existing monthly housing costs including taxes, homeowner insurance, and condominium or homeowner association fees exceed 38 percent of the household's eligible monthly income, the household will be exempt from the asset limit.

An applicant will provide a recent, Market Value Appraisal, on the home they own unless the applicant has mortgage debt on the home or can demonstrate that the existing monthly housing costs exceed 38 percent of the household's eligible monthly income, in which case the applicant is exempt from the asset limit.

Income from Real Estate

If real estate owned by an applicant for affordable housing is a rental property, the net revenue is considered income. Specifically, rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, and property owner's insurance and reasonable property management expenses as reported to the Internal Revenue Service. Other expenses are not deductible. If actual rent is less than fair market rent, the Administrative Agent shall impute a fair market rent.

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Administrative Agent should determine the imputed interest from the value of the property. The Administrative Agent should deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Based on current HUD Passbook Savings Rate, interest will be imputed on the determined value of the real estate.

Minimum Income (Rental Units)

The annual rent and utility allowance as determined by the Administrative Agent shall not exceed 35% of the applicant's gross annual income unless the applicants' liquid assets exceed 100 times the monthly rent.

Maximum Monthly Payments (Ownership Units)

The percentage of funds that a household can contribute toward housing expenses is limited. However, an applicant may qualify for an exception based on the household's current housing cost (see below). The Administrative Agent will strive to place an applicant in a unit with a monthly housing cost equal to or less than the applicant's current housing cost.

A certified household is not permitted to purchase a unit that would require more than 33 percent of the verified household income to pay principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable. However, at the discretion of the Administrative Agent, this limit can be exceeded if the applicant:

- Obtains a firm mortgage loan commitment at the higher level from a licensed financial institution, under terms consistent with the requirements of the New Jersey Home Ownership Security Act of 2002, N.J.S.A. 46:10B-22 et seq.; and
- Submits a certification from a non-profit counselor approved by HUD or the New Jersey Department of Banking and Insurance that the household has received counseling on the advisability of the loan transaction.

Housing Counseling

The Administrative Agent will provide referrals for counseling, as a part of its services. Although housing counseling is recommended, a household is only required to attend counseling if their monthly housing expense exceeds UHAC standards. A HUD-approved housing counseling agency, or a counseling agency approved by the NJ Department of Banking and Insurance, meets UHAC's requirements for an

experienced Housing Counseling Agency. This counseling to low- and moderate-income housing applicants will focus on subjects such as budgeting, credit issues, and mortgage qualification, and is free of charge. A list of non-profit counselors approved by HUD and/or the New Jersey Department of Banking and Insurance is included on COAH's website and is available from the Administrative Agent.

In addition, the Administrative Agent will:

- Confirm and update all information provided on the application.
- Explain program requirements, procedures used to verify information, and penalties for providing false information. Ask the head of household, co-head, spouse, and household members 18 years of age or older to sign the Authorization for Release of Information forms and other verification requests.
- Review the applicant's identification, financial information, and documentation. Ask any questions needed to clarify information on the application, and obtain any additional information needed to verify the household's income.
- Seek to ensure, to a reasonable degree, that the applicant has reported all sources for earned and benefit income and assets (including assets disposed of for less than fair market value in the past two years). Require the applicant to give a written certification as to whether any household member did or did not dispose of any assets for less than fair market value during the past two years.

Approving or Rejecting a Household

Administrative Agents will notify applicant households of their eligibility within twenty (20) days of the Administrative Agent's determination.

Households with a verified total household income that exceeds eighty (80) percent of the regional income limit for the appropriate family size are ineligible for purchase or rental of restricted units. A letter rejecting the household's application shall be mailed to the household.

Similarly, households with a verified total household income that is within the income limits, but too low to afford any of the units administered by the Administrative Agent shall be sent a letter rejecting the household's application, and/or referring them to housing counseling.

Households with a verified total household income of less than 80 percent shall be issued a letter certifying eligibility. This certification is valid for 180 days. If the applicant does not sign a Lease Agreement or Sales Agreement within that time frame, an extension may be granted once the household's eligibility is updated and verified.

Once the applicant is certified and matched to an available unit, the Administrative Agent will secure from the applicant a signed and notarized acknowledgement of their requirements and responsibilities in leasing or purchasing a restricted unit. UHAC's Disclosure Statement shall be forwarded to the applicants.

In addition to non-eligibility based on income, the Administrative Agent may deny a certification because

of the household's failure or inability to document household composition, income, assets, sufficient funds for down payment (for ownership units), or any other required facts and information. A household may also be denied certification if the Administrative Agent determines that there was a willful or material misstatement of fact made by the applicant.

Please note the following on the use of new income and rent limits during marketing, lottery, and certification and re-certification periods:

The initial base rents should not exceed the 80% of AMI limit under "Rent by Bedroom Size" specified in the most current "Low Income Housing Tax Credits Income Limits and Max Rents" promulgated by the New Jersey Housing and Mortgage Finance Agency (NJHMFA) in effect at the time of the approval of the Affirmative Marketing Plan by the Division of Affordable Housing unless such increase is paid by a State or Federal entity under a subsidy program. Any subsequent increase in rent must be approved by the Division of Affordable Housing. Said Low Income Housing Tax Credits Income Limits and Max Rents, at the time of this agreement, are accessible at:

<https://www.nj.gov/dca/hmfa/developers/lihtc/compliance/incomelimits.shtml>

Should the NJHMFA promulgate new numbers during the marketing, lottery, and certification and re-certification periods - the DOAH will not approve use of the new Rent and Income limits until 45 days have passed from NJHMFA's publishing date. Any lottery participant whose number is selected, or whose documents are being processed for certification prior to the 45-day period shall not be subject to the newly published rent and income limits. The Administrative Agent or property manager should notify all waiting list applicants who have not yet been selected that new rent and income limits have been published and the date upon which they will go into effect.

Dismissal of Applications

Applications can be dismissed for the following reasons:

1. The application is not signed or submitted on time;
2. The applicant's sources of income or household composition changes after the submission of the final application, but before approval;
3. The applicant commits fraud, or the application is not truthful or complete;
4. The applicant cannot or does not provide documentation to verify their income or other required information when due;
5. The household income does not meet the minimum or maximum income requirements for a particular property;
6. The applicant owns an asset that exceeds the Asset Limits for Affordable Housing units
7. The applicant fails to respond to any inquiry in a timely manner;
8. The applicant had a greater chance than any other applicant submitted for a random selection;
9. The applicant is non-cooperative or abusive with the City staff, property managers or the sellers of affordable units;

10. The applicant changes address or other contact information without informing us in writing;
11. The applicant is unable to obtain suitable and legitimate financing for a sale unit or fails to verify attendance in a home buyer credit counseling program when required to do so by the program rules;
12. The applicant does not respond to a periodic update inquiry in a timely fashion;
13. The applicant fails to sign the Compliance Certification, Certificate for Applicant; Lease Documents, as may be required; or
14. The applicant, once approved, fails to sign a lease within five (5) days or close the on a sale in a timely manner.

Applicants who are withdrawn and who wish to re-apply to that specific program may do so using a new Preliminary Application. The new Preliminary Application will NOT be given preferential treatment but will be processed in the same way that all new Preliminary Applications for that specific program are processed. If an application list is closed when the application is withdrawn, the applicant will be required to wait until the list is re-opened to apply again.

Applicants who are dismissed must re-apply. A minimum time period of six months applies in most situations where the applicant has been withdrawn for fraud, poor credit, uncooperative behavior or other serious matters.

Applications may be held in abeyance for a period not to exceed 90 days if there is an error on the credit report, so that the applicant can correct the error and re-apply. Units will not be held open for that applicant. However, once the credit report is corrected, the applicant will be given a priority for the next opportunity at that property.

Appeals

Appeals from all decisions of an Administrative Agent shall be made in writing to the Director of the Division of Affordable Housing, City of Jersey City.

DETERMINING AFFORDABLE RENTS

To determine the affordable rents the Administrative Agent uses the COAH calculators located at <http://www.nj.gov/dca/divisions/lps/hss/calculators.html>, which are now updated annually at <https://ahpnj.org/>.

Development Considerations and Compliance Issues

There are several regulations that must be considered from the development perspective before the rents of individual units can be calculated. These requirements should be discussed at the first meeting between the Municipal Housing Liaison, Administrative Agent and developer or affordable housing sponsor. The following is a summary of the requirements for ownership projects.

Bedroom Distribution. The standards on the distribution of unit sizes for affordable developments require that:

The combined number of efficiency and one-bedroom units may be no greater than 20 percent of the total low- and moderate-income units

At least 30 percent of all low- and moderate-income units must be two-bedroom units

At least 20 percent of all low- and moderate-income units are three-bedroom units

The remainder, if any, may be allocated at the discretion of the developer

Determining Rent Increases

Annual rent increases are permitted in affordable units. Rent increases are permitted at the anniversary of tenancy according to COAH's Annual Regional Income Limits Chart, available on COAH's website or an approved alternative. These increases must be filed with and approved by the Administrative Agent. Property managers or landlords who have charged less than the permissible increase may use the maximum allowable rent with the next tenant with permission of the Administrative Agent. The maximum allowable rent would be calculated by starting with the rent schedule approved as part of initial lease-up of the development and calculating the annual increase from the initial lease-up year to the present. Rents may not be increased more than once a year, may not be increased by more than one approved increment at a time, and may not be increased at the time of new occupancy if this occurs less than one year from the last rental. No additional fees may be added to the approved rent without the express written approval of the Administrative Agent.

Additional Regulations for a Rental Development

In addition to the regulations covered earlier in the Section Development Considerations and Compliance Issues, rental projects must also comply with the following regulations:

Split Between Low- and Moderate-income Rental Units.

At least fifty percent (50%) (of the affordable units within each bedroom distribution (unit size) must be low-income units and at least 10 percent of the affordable units within each bedroom distribution must be affordable to households earning no more than thirty-five percent (35%) of the regional median income. The remainder of the affordable units must be affordable to moderate-income households. For a new rental property, very low-income units shall be priced at and made available to households at or below 30% of the regional median income.

Affordability Average

The average rent for all affordable units cannot exceed 52 percent of the regional median income. At least one rent for each bedroom type must be offered for both low-income and moderate-income units. Calculation of the affordability average is available on COAH's website.

Maximum Rent

The maximum rent of restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of the regional median income.

Rent Surcharges

(a) Upon Income Re-Certification, if the gross aggregate household income exceeds the maximum income limit pursuant to the most recently published Regional Median Income by 120 percent or less, the tenant(s) shall continue to occupy the unit without the imposition of any surcharges. If the gross aggregate household income exceeds the maximum income pursuant to the most recently published HUD AMI by greater than 120 percent, the tenant(s) may continue to occupy the unit, subject to payment of a surcharge as outlined in (b) below. Such surcharges may only be imposed with the approval of the City.

(b) Surcharges imposed shall be based upon a tenant's unit rent in order to ensure that a tenant is spending 30 percent of their income towards rent in accordance with the following schedule:

1. Calculate thirty percent (30%) of the tenant's current gross annual income as Specified on their Income Re-Certification documentation
2. Divide 30% of the tenant's annual certified income by 12 to determine the unit's new rent that will include the surcharge.
3. Subtract the unit's previous monthly rental fee for the tenant's restricted unit from the number determined in point 2 above to determine the monthly surcharge to be submitted to the City.

Surcharges are to be paid by the sponsor to the City on a quarterly basis. The surcharges will be placed in the City's Affordable Housing Trust Fund. Calculation chart is as follows:

Surcharge Calculation Equation Chart

Unit's New Monthly Rent = $0.3 * \text{Tenant's Certified Annual Income} / 12$	\$
Surcharge = Unit's New Monthly Rent - Tenant's Previous Monthly Rent	\$

(c) Tenant(s) subject to surcharges for failing to complete the Income Re-Certification process shall be surcharged at a rate equal to the difference between the fair market rent for a comparable housing unit in the Project and the previous restricted rent of the unit. Tenants that fail to complete the Re-Certification process may also be subject to eviction. Sponsors shall provide tenant(s) with notice at least 30 days prior to the expiration of the lease that a surcharge will be imposed for failure to complete the Income Re-Certification process. Such surcharges or eviction actions require City approval.

DETERMINING AFFORDABLE SALES PRICES

Development Considerations and Compliance Issues

There are several regulations that will be considered from the development perspective before the sales prices of individual units can be calculated. These requirements should be discussed at the first meeting between the Municipal Housing Liaison, Administrative Agent and developer or affordable housing sponsor. The following is a summary of the requirements for ownership projects.

Bedroom Distribution

The standards on the distribution of unit sizes for affordable developments require that:

- The combined number of efficiency and one-bedroom units may be no greater than 20 percent of the total low- and moderate-income units;
- At least 30 percent of all low- and moderate-income units will be two-bedroom units;
- At least 20 percent of all low- and moderate-income units are three-bedroom units; and

Age-Restricted Units

Affordable age-restricted units are not held to these bedroom distribution standards. For affordable age-restricted units, the number of age-restricted low- and moderate-income bedrooms must be equal to or greater than the number of age-restricted units within the development. In other words, the average bedroom size in an age-restricted development must be equal to or greater than one bedroom per unit.

For example, if the overall age-restricted development is twenty-five (25%) percent efficiencies, and fifty percent (50%) one- bedroom units, and 25 percent (25%) two-bedroom units, that equals an overall development bedroom size of exactly one bedroom per unit. An age-restricted development can meet this standard by creating all one- bedroom units or by creating a two-bedroom unit for each efficiency unit, or any other combination that will equal a minimum of one bedroom per unit.

Pricing by Household Size

Initial rents and sales prices are based on targeted “model” household sizes for each size home as determined by the number of bedrooms. Initial rents must adhere to the following rules. These maximum rents are based on COAH’s Annual Regional Income Limits Chart at the time of occupancy:

A studio shall be affordable to a one-person household;

A one-bedroom unit shall be affordable to a one- and one-half person household

A two-bedroom unit shall be affordable to a three-person household

A three-bedroom unit shall be affordable to a four- and one-half person household

A four-bedroom unit shall be affordable to a six-person household

The above rules are only to be used for setting initial rents and sales prices. They are not guidelines for matching household sizes with unit sizes. The pricing of age-restricted units may not exceed affordability based on a two-person household.

Determining Maximum Initial Sales Price

To determine the affordable sale prices the Administrative Agent uses the regulations set forth in UHAC.

The maximum sales price for an ownership unit is determined by first calculating the amount that an appropriately sized household can afford for housing expenses at various income ranges. Several related expenses (homeowner insurance, private mortgage insurance (PMI), association fees and taxes) will then be subtracted from the household's maximum monthly contribution toward housing expenses to arrive at the maximum monthly mortgage payment. The calculated mortgage amount, a five percent down payment, and the current lending rate will be used to arrive at the maximum sales price.

Additional Regulations for an Ownership Development

In addition to the regulations in the previous Section entitled **Development Considerations and Compliance Issues**, ownership developments will also comply with the following regulations:

Division of Units: Low- and Moderate-Income

In each affordable ownership development, at least 50 percent of each unit type will be affordable to low-income households. The remaining affordable units will be affordable to moderate-income households.

Affordability Average

Each affordable development will achieve an affordability average of no more than 55 percent of the regional median income for restricted ownership units. In achieving this affordability average, moderate-income ownership units will be available for at least three different prices for each bedroom type, and low-income ownership units will be available for at least two different prices for each bedroom type.

Maximum Initial Sales Price

The maximum initial sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of the regional median income.

Condominium/Homeowner Association Fees

The master deeds of affordable developments shall provide no distinction between the condominium or homeowner association fees and special assessments paid by low- and moderate-income purchasers and those paid by market purchasers.

Determining Resale Prices

Calculating the maximum resale price (MRP) for an ownership unit involves applying the annual percentage increase corresponding with each calendar year since the Seller bought the house. No increase is permitted during the balance of the calendar year immediately after the sale. A Resale Price Calculator has been created by the Administrative Agent to provide an estimate of the MRP to owners of affordable homes. In the alternative, homeowners can also call DOAH and request an estimate by phone. The official MRP can only be given in writing in response to a written request, together with a copy of the recorded deed.

Requests for Increases in Maximum Sales Price

The Seller of an ownership unit may ask the Administrative Agent to increase the sales price of their home beyond the maximum sales price under limited circumstances. Only those improvements “that render the unit suitable for a larger household or that add an additional bathroom” can increase the calculated maximum sales price. In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger households.

WAIVERS AND EXEMPTIONS (FOR OWNERSHIP UNITS)

Hardship and Income Waivers

An Owner may not rent out the Owner’s unit to any other person, not even to members of the Owner’s family. The Administrative Agent may grant a Hardship Waiver for the following extenuating circumstances:

- The Owner’s employer is temporarily sending the Owner to a workplace a great distance from the Owner’s home, and the employer expects the Owner to resume work for the employer back at home within the next 12 months.
- The Owner is called up for military service

An Owner of a low-income unit may request that the unit be sold to a household whose income exceeds the established income eligibility criteria for a low-income household but does not exceed the income criteria for a moderate-income household, by submitting a written request for an Income Waiver to the Administrative Agent. The Owner will demonstrate that this request is consistent with the following reasons for an Income Waiver:

- The unit is in marketable condition as determined by the Administrative Agent.
- The Owner has made a good faith effort to sell the unit to a certified household for no less than six (6) months, in accordance with procedures required by the Administrative Agent and no certified household has made a “reasonable” offer during the that six-month period.
- The Owner has demonstrated a willingness to consider price offers lower than the maximum allowable resale price, considering current market conditions and the marketability of the unit.
- The Owner has advertised the unit’s availability in newspapers and other locations likely to be noticed by potential purchasers or has engaged the services of a qualified real estate agent to sell the home.

The Administrative Agent may grant an Income Waiver upon demonstration that the Owner has made a good faith effort to sell the unit and subject to Division of Affordable Housing determining that there is an insufficient number of low-income purchasers in the market to permit prompt occupancy of the unit.

Upon receipt of a request for an Income Waiver,⁵ the municipality shall have first option to purchase the unit at the approved resale price and holding, renting, or conveying it to a certified household. The municipality shall have 30 days in which to exercise this option.

The Administrative Agent shall approve or deny a Hardship Waiver in writing within 30 days of receipt all requested verification.

The Administrative Agent shall approve or deny an Income Waiver in writing within 30 days of receipt of all requested verification from the Owner and a determination by the Division of Affordable Housing that there are is an insufficient number of low-income purchasers in the market to permit prompt occupancy of the units. The Income Waiver shall be provided to the Owner with a copy to the Buyer at the time of closing. The original shall be filed with the Deed. The Income Waiver is only valid for the designated resale transaction. All future resales will be in accordance with the Deed restrictions and sold to income eligible households for no more than the approved indexed resale price.

The approval of an Income Waiver for a particular resale does not guarantee receipt of the maximum resale price to the Owner.

If the Administrative Agent denies a Hardship Waiver or Income Waiver, the Owner may appeal the decision of the Administrative Agent within 30 days from the date of notification of the decision of the Administrative Agent (see **Appeals**). If a written request has not been received within 30 days following the household's receipt of notification, the denial will be final. Owners shall be required to produce documentation to support their claim.

Exempt Transactions

The following title transactions shall be deemed exempt transactions and, when requested, the Administrative Agent shall provide the Owner receiving title with written confirmation of the exemption to those restrictions that determine occupancy of the unit.

- Transfer of ownership between former spouses ordered as a result of a judicial decrees of divorce or judicial decree of separation (but not including sales to third parties);
- Transfer of ownership between family members by will or intestate succession;
- Transfer of ownership through an Executor's Deed to a Class A beneficiary; and
- Transfer of ownership by Court Order.

An exempt transfer of ownership does not terminate the resale restrictions or existing liens on the property. All liens will be satisfied in full prior to subsequent resale and all subsequent resale prices will be calculated using the resale price index in compliance with the term of the affordable housing

⁵ Rev 5.16.08

regulations.

The exempt transaction shall not be considered as a recorded transaction in calculating subsequent resale prices.

The Owner shall notify the Administrative Agent in writing of any proposed transaction that requires approval as an exempt transaction. The Owner shall supply the Administrative Agent with all necessary documentation to demonstrate that the transaction qualifies as an exemption as defined above.

If the Administrative Agent denies the exemption, the Owner may appeal the decision of the Administrative Agent within 30 days from the date of notification of the decision of the Administrative Agent (see [Appeals](#)). If a written request has not been received within 30 days following the household's receipt of notification, the denial will be final. Owners shall be required to produce documentation to support their claim.

VIOLATIONS, DEFAULTS, AND REMEDIES

In the event of a threatened breach of any of the regulations governing the affordable unit by an Owner, the Administrative Agent shall have all the remedies provided at law or equity, including the right to seek injunctive relief or specific performance, it being recognized by both parties that it will cause irreparable harm to the municipality, in light of the public policies set forth in the Fair Housing Act and the obligation for the provision of low- and moderate-income housing.

Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.

MAINTENANCE OF RECORDS AND APPLICANT FILES

Pursuant to [N.J.A.C. 5:80-26.14\(a\)8](#), [N.J.A.C. 5:80-26.15\(c\)](#) and [N.J.A.C. 5:80-26.17](#) current records will be maintained by the Administrative Agent and outdated records will be given to the municipality for safe-keeping. A file will be created and maintained on each restricted unit for its control period.

The Administrative Agent will maintain detailed records on all marketing initiatives.

Files to be Maintained on Every Unit

The Administrative Agent will maintain files on every unit for the length of the affordability controls.

The unit file will contain at a minimum:

Rental Units	Ownership Units
<ul style="list-style-type: none"> • Base rent • Identification as low- or moderate-income • Description of number of bedrooms and physical layout • Floor plan • Application materials, verification and certifications of all present owners, pertinent correspondence 	<ul style="list-style-type: none"> • Base sales prices • Identification as low- or moderate-income • Description of number of bedrooms and physical layout • Floor plan • Original deed restriction • Affordability control documents, including Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes, Disclosure Statement • Application materials, verifications and certifications of all present owners, pertinent correspondence, any documentation of home improvement, hardship or income waivers or other approvals granted by an AA, certificate of exemption

Files To Be Maintained on Every Project

The Administrative Agent will maintain files on every project for the length of the affordability controls.

The project file will contain at a minimum:

Rental Units	Ownership Units
<ul style="list-style-type: none"> • Crediting Information • Original deed restriction 	<ul style="list-style-type: none"> • Condominium Master Deed • Condominium Public Offering

Files To Be Maintained on Every Applicant

The Administrative Agent will maintain files on every applicant. All files will contain a preliminary application. If an applicant's preliminary application is approved, and the applicant files a formal application, the file will contain at a minimum:

- Application Form.
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

Individual files will be maintained throughout the process and submitted to the municipality upon termination of the program.

Files To Be Maintained in the Applicant Pool

- Any changes to the applicant pool
- Any action taken about the applicant pool
- Any activity that occurs that affects a particular applicant
- Current applications for all applicants whose status is active in the applicant pool
- The application, the initial rejection notice, the applicant’s reply to the notice, a copy of the Administrative Agent’s final response to the applicant, and all documentation of the reason the applicant’s name was removed from the applicant pool.

Monitoring

Sample Deed Restriction and Affordable Housing Agreement with the City of Jersey City shall be entered into for each project with a municipally mandated affordable housing obligation. Additionally, the current annual monitoring information required to be maintained and reported annually to the Municipal Housing Liaison can be found on the Division of Affordable Housing’s website. The information required for each property includes, but is not limited to:

Rental Units	Ownership Units
<ul style="list-style-type: none"> • an Affordable Housing Agreement • the Deed Restriction for each development • Street Address • Block/Lot/Qualifier/ • Unit Number Housing Type • Income: Very Low/Low/Moderate • Initial Rental Price • % of affordability Bedroom Type Age-restricted • Handicap accessible/adaptable • Co #, date • Effective date of affordability controls • Length of affordability controls (yrs.) • Date Affordability controls removed 	<ul style="list-style-type: none"> • an Affordable Housing Agreement • the Deed Restriction for each unit • Street Address • Block/Lot/Qualifier/Unit Number • Housing Type • Income: Very Low/Low/Moderate • Initial Sale Price • % of affordability • Bedroom Type • Age-restricted • Handicap accessible/adaptable • Co #, date • Effective date of affordability controls • Length of affordability controls (yrs) • Date Affordability controls removed • 95/5 (if any)

APPENDICES

- Appendix A: Equal Housing Opportunity Flier
- Appendix B: NJ Law Prohibiting Discrimination in Housing Flier
- Appendix C: NJ Fair Chance in Housing Act Summary
- Appendix D: Sample Affordable Housing Application
- Appendix E: Mandatory Deed Form for Ownership Units
- Appendix F: Mandatory Deed Form for Ownership 95/5 Units
- Appendix G: Restrictive Covenant Required by Section 5:80-26.5(d) - For New Units
- Appendix H: Restrictive Covenant Required by Section 5:80-26.5(d) - For 95/5 Units
- Appendix I: Mandatory Deed Form for Ownership Units Subject to Restrictive Covenant Required by Section 5:80-26.5(d)
- Appendix J: Mandatory Deed Restriction for State Regulated Rental Projects
- Appendix K: Mandatory Deed Restriction for Rental Projects
- Appendix L: Mandatory Deed Restriction for Rehabilitated Rental Projects
- Appendix M: Form of Release (Quitclaim Deed) for Restricted Units
- Appendix N: Form of Note for Payment of Recapture Amount for a 95/5 Unit
- Appendix O: Form of Mortgage Securing Payment of Recapture Amount for a 95/5 Unit
- Appendix P: Form of HAS Municipal Agreement
- Appendix Q: Form of Certificate for Applicants Certified to Ownership Unit, Required by Section 5:80-26.18(c)(2)
- Appendix R: Form of Certificate for Applicants Certified to Rental Unit, Required by Section 5:80-26.18(c)(2)
- Appendix S: Form of Recapture Mortgage Note in Favor of State, Required by Section 5:80-26.5(c)
- Appendix T: Form of Mortgage Securing Payment of Recapture Note in Favor of the State, Required by Section 5:80-26.5(c)
- Appendix U: Form of Recapture Mortgage Note in Favor of Municipality, Required by Section 5:80-26.5(c)
- Appendix V: Form of Mortgage Securing Payment of Recapture Note in Favor of the Municipality, Required by Section 5:80-26.5(c)
- Appendix W: Form of Recapture Mortgage Note for UHORP and MONI Units, Required by Section 5:80-26.5(c)
- Appendix X: Form of Mortgage Securing Payment of Recapture Note in Favor of the Agency, Required by Section 5:80-26.5(c)

Appendix A:

Equal Housing Opportunity Flier



**EQUAL HOUSING
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)

1-800-927-9275 (TTY)

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**

Appendix B:

NJ Law Prohibiting Discrimination in Housing Flier

New Jersey Law Prohibits Discrimination in Housing

ON THE BASIS OF: Race, Creed, Color, National Origin, Ancestry, Nationality, Marital or Domestic Partnership or Civil Union Status, Familial Status, Sex, Gender Identity or Expression, Affectional or Sexual Orientation, Disability, Source of Lawful Income or Source of Lawful Rent Payment (including Section 8)

BY: All Persons including Real Estate Agents or Brokers, Financial Institutions, Property Owners, Landlords, or Building Superintendents, and Their Agents and Employees

WITH RESPECT TO:

- The Sale, Rental or Lease of Real Property
- Listing or Advertising of Real Property
- Receipt or Transmittal of Offers to Purchase or Rent Real Property
- Application and Terms of a Mortgage or Other Loan

REMEDY MAY INCLUDE: An Order Restraining Unlawful Discrimination, Reimbursement for Financial Loss, Damages for Pain and Humiliation Experienced as a Result of Unlawful Discrimination, Punitive Damages, and Attorney's Fees

It is also unlawful to publish real estate advertisements which express any discrimination against persons protected by the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq.

**Violations Should Be Reported To the Nearest Office
of the NJ Division on Civil Rights or Call Toll Free at 866-405-3050**

Atlantic City
26 S. Pennsylvania Avenue, 3rd Floor
Atlantic City, NJ 08401
(609) 441-3100 (Phone)

Camden
One Port Center
2 Riverside Drive, 4th Floor
Camden, NJ 08103
(856) 614-2550 (Phone)

Newark
31 Clinton Street, 3rd Floor
Newark, NJ 07102
(973) 648-2700 (Phone)

Trenton
140 East Front Street, 6th Floor
Trenton, NJ 08625
(609) 292-4605 (Phone)

www.NJCivilRights.gov

The regulations of the New Jersey Division on Civil Rights require that all real estate brokers and persons who engage in the business of selling or renting real property who are covered by the New Jersey Law Against Discrimination shall display this official poster in places easily visible to all prospective tenants and purchasers. N.J.A.C. 13:8-1.3.



CIVIL RIGHTS

Appendix C:

NJ Fair Chance in Housing Act Summary

FAIR CHANCE IN HOUSING ACT

What You Need To Know

The Fair Chance in Housing Act is effective January 1, 2022

Formerly incarcerated people are substantially more likely to experience housing instability compared to the general population. The Fair Chance in Housing Act (FCHA) ensures that people with past involvement in the criminal justice system have fair access to housing in New Jersey, thereby reducing recidivism and reducing racial disparities and discrimination in access to housing.

Under the FCHA, a **housing provider** is never required to consider a housing applicant's criminal history. If it chooses to consider such information, this guide explains what can and cannot occur.

Under the FCHA, it is **always unlawful** for a housing provider to consider any of the following records:

- 1) Arrests or charges that did not result in a criminal conviction
- 2) Expunged convictions
- 3) Convictions erased through executive pardon
- 4) Vacated and otherwise legally nullified convictions
- 5) Juvenile adjudications of delinquency
- 6) Sealed records

Housing providers are defined in the FCHA as: landlords, owners, lessors, sublessors, assignees, or their agents, or any other person receiving or entitled to receive rents or benefits for the use or occupancy of any rental dwelling unit.

A **rental dwelling unit** means a home offered for rent by a housing provider for residential purposes, except for a dwelling unit in an owner-occupied premises of no more than four (4) dwelling units.

Advertising/Initial Application/Conditional Offer:

If a housing provider chooses to consider criminal history, **it must** make a conditional offer of housing before doing so.

That means a housing provider cannot ask an applicant if they have a criminal history on their initial application materials, in an interview, or in any other way before making a conditional offer, and cannot advertise that it will refuse to consider applicants with criminal histories, with two limited exceptions:

- a conviction for the manufacture or production of methamphetamine on the premises of federally assisted housing, or
- a conviction that requires the applicant to register as a sex offender for life

In addition, if a housing provider chooses to consider an applicant's criminal history, it must then provide the applicant with a **Notice of Disclosure** stating that criminal history will be considered and that the applicant has a right to provide evidence of mitigating factors, including inaccuracies in their criminal record and evidence of rehabilitation.



After a conditional offer, a housing provider may only consider:

- 1) Any conviction for murder, aggravated sexual assault, kidnapping, arson, human trafficking, sexual assault, or endangering the welfare of a child in violation of N.J.S.2C:24-4(b)(3);
- 2) Any conviction that requires lifetime state sex offender registration;
- 3) Any conviction for a 1st degree indictable offense, or release from prison for that offense, within the past 6 years;
- 4) Any conviction for a 2nd or 3rd degree indictable offense, or release from prison for that offense, within the past 4 years;
- 5) Any conviction for a 4th degree indictable offense, or release from prison for that offense, within the past 1 year.



Individualized Assessment. After a housing provider reviews the above permissible convictions, it must conduct an individualized assessment of the:

- 1) Nature and severity of the offense(s);
- 2) Applicant's age at the time of the offense(s);
- 3) How recently the offense(s) occurred;
- 4) Any information the applicant provided in their favor since the offense(s);
- 5) If the offense(s) happened again in the future, whether that would impact the safety of other tenants or property; and
- 6) Whether the offense(s) happened on, or was connected to, property that the applicant had rented or leased



Optional Withdrawal of Conditional Offer. If a housing provider decides to withdraw a conditional offer, it must provide an applicant with a **Notice of Withdrawal** that explains the specific reasons for the withdrawal, and notifies the applicant of their right to appeal the decision.

After receiving the above, the applicant has 30 days to request all of the information a housing provider relied upon. The housing provider must provide the requested information for free within 10 days of the request.

The applicant can appeal the withdrawal by submitting evidence of inaccuracies in their criminal record or evidence of rehabilitation. A housing provider must consider the information and provide a new determination within 30 days.

The FCHA protects against retaliation and sharing criminal history information.

No one can retaliate against you for reporting possible FCHA violations, filing a complaint with DCR, or exercising any other rights under the FCHA. A housing provider cannot share an applicant's criminal history with anyone for any purpose other than to assess a housing application under the FCHA.

To find out more or to file a complaint, go to NJCivilRights.gov or call 1-866-405-3050.

Please note, DCR enforces the FCHA, which protects anyone seeking housing in New Jersey, regardless of immigration or citizenship status.



NJ DIVISION ON
CIVIL RIGHTS
FOR ALL PEOPLE

Appendix D:

Sample Affordable Housing Application



STEVEN M. FULOP
MAYOR OF JERSEY CITY

CITY OF JERSEY CITY
DEPARTMENT OF HOUSING, ECONOMIC DEVELOPMENT
AND COMMERCE
DIVISION OF AFFORDABLE HOUSING
1 JACKSON SQUARE | JERSEY CITY, NJ 07305
O: 201 547 5169 | E-MAIL: DOAH@cnj.org



GIGI GAZON
DIVISION DIRECTOR

SAMPLE TENANT APPLICATION FORM

Description:

This resource provides an example of a tenant application form. Rental applications provide important information about prospective tenants such as their income, household members, tenant histories, and any criminal records. While property owners have the right to collect information from applicants, local, state, and Federal laws govern what questions may be asked or how they are asked.

How to Adapt this Document:

It is recommended that you revise/create your own rental application with the assistance of legal counsel to fit the specific needs of your project and organization, as well as to assure compliance with any laws governing the management of real estate in your geographic location. The property management company you select will undoubtedly have a rental application it uses for its other clients, but it is advisable to compare it to other sample forms such as this one and use qualified legal counsel to select a form for use in leasing your rental property. Within this sample documents are notes and instructions in brackets with italic type. These should be removed from the final form.



LOGO



**SAMPLE RENTAL HOUSING
Tenant Application Form**

Property/Address: _____

Date: _____

Household Information: Complete the following information for each household member that will occupy the unit at time of move-in:

Name (Last, First, MI)	Relationship to the Head of Household	Sex (M/F)	Birth Date (mm, dd, yyyy)	Student (Y/N)	Social Security Number

Current Address: _____

Primary Phone: () _____ **Alternate Phone:** () _____

Are you claiming a "Preference"? *Certain preferences are assigned to applicants in order to provide housing opportunities for households with special needs. See Tenant Selection Plan for greater detail.*

Displaced by Government Action or Presidentially Declared Disaster.

Victim of Domestic Violence.

Working, Elderly, or Disabled.

Other or Local Preference: _____

Type:

1st Choice: 2 BR 3 BR 4 BR 5 BR Other _____

2nd Choice: 2 BR 3 BR 4 BR 5 BR Other _____

Would you or anyone in your household benefit from a special needs unit?
(Mobility, vision, or hearing impairment) Yes No

Will you or anyone in your household require a live-in care attendant? Yes No

 Name of Live-In Care Attendant: _____

 Relationship (If any): _____

Housing References:

List the **past 3 years** of housing references. (If additional space is required, use the back of this page.)

	<u>Landlord's Name/Address</u>	<u>Your Address</u>	<u>Own/Rent</u>	<u>Dates</u>
1.	_____ _____ Phone: () _____	_____ _____	Own <input type="checkbox"/> Rent <input type="checkbox"/>	From: _____ To: _____
2.	_____ _____ Phone: () _____	_____ _____	Own <input type="checkbox"/> Rent <input type="checkbox"/>	From: _____ To: _____
3.	_____ _____ Phone: () _____	_____ _____	Own <input type="checkbox"/> Rent <input type="checkbox"/>	From: _____ To: _____

Household Information (continued)

1. Will anyone else live in the unit on either a full-time or part-time basis, such as children temporarily absent, children in a joint custody arrangement, children away at school, unborn children, children in the process of being adopted, or temporarily absent family members? Yes No
If YES, explain _____
2. Do you expect the number of household members to change in the future? Yes No
If YES, explain how many members will be added or reduced, and when that change will take place.

3. Have any of the household members used names or a social security number other than the names and numbers used above? Yes No
If YES, explain _____
4. Are any or ALL members of the household full-time students? Yes No
If YES, explain _____
5. Have you or any member of your household ever been convicted of, plead guilty to or been placed on probation for any crime? Yes No
If YES, provide the nature of the crime(s): _____
Date: _____ State: _____ City _____
County: _____
Are any of the above convictions a felony? Yes No **If YES, Please explain** _____

Are you or any members of your household subject to a lifetime registration requirement under a state sex offender registration program? Yes No **If YES, Please explain** _____

Are there any criminal charges pending now? Yes No **If YES, please explain** _____

6. Do you live in subsidized housing now or have you in the past? Yes No
If YES, where? _____ From _____ To _____
Were you evicted? ____ If YES, why? _____
7. Have you or your spouse/co-applicant ever been evicted or otherwise involuntarily removed from rental housing due to fraud, non-payment of rent, failure to cooperate with recertification procedures, or for any other reason? Yes No
If YES, explain _____

8. Have you ever filed or are you currently filing for bankruptcy? Yes No
 If YES, give reason _____
 Date of filing: _____
9. Have you ever lived at any other property managed by _____ *[insert management company name]*?
 Yes No
 If YES, where? _____
10. Why do you want to move from your current residence? _____
11. How did you hear about us? _____
12. Do you know or are you related to any of our residents or staff? _____

Income Information:

Earned income is counted only for household members 18 or older and members who are legally emancipated. Unearned income such as a grant or benefit is counted for all household members, including minors.

Include all GROSS income (before taxes) each household member expects to earn in the next 12 months. (Check either YES or NO to each question.)

Do YOU or ANYONE in your household receive OR expect to receive income from:

1. Employment wages or salaries? Self-employment? Regular pay as a member of the Armed Forces? Yes No

(Include overtime, tips, bonuses, commission and payments received in cash.)

<u>Household Member</u>	<u>Name of Company</u> <i>(or note if self-employed)</i>	<u>Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Unemployment benefits or worker's compensation? Yes No

<u>Household Member</u>	<u>Name of Company</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Public Assistance, General Relief or Temporary Aid to Needy Families (TANF)? Yes No

<u>Household Member</u>	<u>Name of Company</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. (a) Child Support or Spousal Support (alimony)? Yes No

(We must count court ordered support whether or not it is received unless legal action has been taken to remedy. We must also count support that is not court-ordered, rather, received directly from the payer.)

<u>Household Member</u>	<u>Name of Company</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____

(b) How is the support received? (Check all that apply)

Child Support Enforcement Agency Name of Agency: _____

Court of Law Name of Court: _____

Directly from Individual Name of Person: _____

Other Explain: _____

(c) If money is not actually received, are you taking legal action to remedy? Yes No

Explanation: _____

5. Social Security, SSI or any other payments from the Social Security Administration? Yes No

<u>Household Member</u>	<u>SSA Office</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____

6. Regular payments from a pension, retirement benefit, annuities, or Veteran's benefits? Yes No

<u>Household Member</u>	<u>Source of Benefit</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____

7. Regular payments from a severance package? Yes No

<u>Household Member</u>	<u>Source of Benefit</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____

8. Regular payments from any type of settlement? (For example, insurance settlements) Yes No
- | <u>Household Member</u> | <u>Source of Benefit</u> | <u>Amount</u> |
|-------------------------|--------------------------|---------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
9. Disability, death benefits or life insurance dividends? Yes No
- | <u>Household Member</u> | <u>Source of Benefit</u> | <u>Amount</u> |
|-------------------------|--------------------------|---------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
10. Regular gifts or payments from anyone outside of the household? Yes No
(This includes anyone supplementing your income or paying any of your bills.)
- | <u>Household Member</u> | <u>Source of Benefit</u> | <u>Amount</u> |
|-------------------------|--------------------------|---------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
11. Educational grants, scholarships, or other student benefits? Yes No
- | <u>Household Member</u> | <u>Source of Benefit</u> | <u>Amount</u> |
|-------------------------|--------------------------|---------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
12. Regular payments from lottery winnings or inheritances? Yes No
- | <u>Household Member</u> | <u>Source of Benefit</u> | <u>Amount</u> |
|-------------------------|--------------------------|---------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
13. Regular payments from rental property or other types of real estate transactions? Yes No
- | <u>Household Member</u> | <u>Source of Benefit</u> | <u>Amount</u> |
|-------------------------|--------------------------|---------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
14. Any other income sources or types not listed above? Yes No
- | <u>Household Member</u> | <u>Source of Benefit</u> | <u>Amount</u> |
|-------------------------|--------------------------|---------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
15. Do you or any other household member expect any change in income in the next 12 months? Yes No
If YES, explain: _____

<p><u>Zero Income Verification:</u> Are YOU or is ANY OTHER <u>ADULT</u> member of your household claiming zero income?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If YES, who? _____</p>
--

Asset Information:

Include all assets and the corresponding annual interest rate, dividends or any other income derived from the asset. An asset is defined as any lump sum amount that you hold in your name and currently have access to. Include the value of the asset and corresponding income from the asset in the space provided.

INCLUDE ALL ASSETS HELD BY ALL HOUSEHOLD MEMBERS INCLUDING MINORS.

Do YOU or ANYONE in your household hold:

1. Checking or savings account?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Bank or Financial Institution</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
2. CDs, money market accounts or treasury bills?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Bank or Financial Institution</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
3. Stocks, bonds or securities?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Source (Broker's Name)</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
4. Trust funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Bank or Financial Institution</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
Are any of the above listed trusts irrevocable?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Pensions, IRAs, 401Ks, 403Bs, KEOGH or other retirement accounts?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Location of Account</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
6. Cash on hand?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Source of Benefit</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
7. Surrender value of a whole life, universal life, or endowment insurance policy which is available to the policy holder before death?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Life Insurance Company</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
8. Real estate, rental property, land contract/contract for deeds or other real estates holdings? (This includes your personal residence, mobile homes, vacant land, farms, vacation homes or commercial property)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Source of Benefit</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
9. Personal property as an investment? (This includes paintings, coin or stamp collections, artwork collections or show cars and antiques. This does not include your personal belongings such as your car, furniture or clothing.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Source of Benefit</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____
10. Do you have a safe deposit box containing contents with a monetary value?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Household Member</u>	<u>Source of Benefit</u>
<u>Amount</u>	
_____	_____
_____	_____
_____	_____

11. Have you or any household member disposed of or given away any asset(s) for LESS than fair market value within the past 2 years? Yes No

<u>Household Member</u>	<u>Description of Asset Disposed</u>	<u>Amount Received</u>
Explanation: _____		

Do you or anyone listed above own a vehicle?

Vehicle Identification:

1.	License #: _____	State Issued: _____	Make/Model/Year: _____
2.	License #: _____	State Issued: _____	Make/Model/Year: _____

All questions that were answered YES on this application will be verified through the appropriate third-party source. It will be your responsibility to provide management with all necessary information to properly process your application and verify your eligibility. This will include names, addresses, phone and fax numbers, account numbers (where applicable), and any other information required to expedite this process.

Signature Clause:

I understand that management is relying on this information to prove my household's eligibility for housing per Chapter 188 of the City of Jersey City's Municipal Code. I certify that all information and answers to the questions are true and complete to the best of my knowledge. I consent to release the necessary information to determine my eligibility. I understand that providing false information or making false statements may be grounds for denial of my application. I also understand that such action may result in criminal penalties.

I consent to have management verify the information contained in this application for purposes of proving my eligibility for occupancy. I will provide all necessary information and expedite this process in anyway possible. I also understand that my occupancy is contingent on meeting management's resident selection criteria.

I understand that in compliance with the FAIR CREDIT REPORTING ACT the processing of this application includes but is not limited to making any inquiries deemed necessary to verify the accuracy of the information I provided, including procuring consumer reports from consumer credit reporting agencies and obtaining credit information from other credit institutions.

I hereby grant this property owner and _____ *[Insert Management Company Name]* the right to process this application for the purpose of obtaining a Rental/Lease Agreement with this property. Additionally, I authorize all corporations, companies, law enforcement agencies, academic institutions, and current and former employers to release information they may have about me and release them from any liability and responsibility from doing so. A photographic or faxed copy of this authorization shall be as valid as the original.

All household members 18 and over must sign below:

Signature	Date
Signature	Date
Signature	Date
Signature	Date

For Office Use Only

Check here if Pre-Application is on file.

Application Date: _____ **Time:** _____ **Desired Move-In Date:** _____
Application Received By: _____ **As Agent for Owner**

APPENDIX E

MANDATORY DEED FORM FOR OWNERSHIP UNITS

Deed

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

To State Regulated Property
With Covenants Restricting Conveyance
And Mortgage Debt

THIS DEED is made on this the _____ day of _____, 20__ by and between

_____ (Grantor) and

_____ (Grantee).

Article 1. Consideration and Conveyance

In return for payment to the Grantor by the Grantee of _____ Dollars
(\$ _____), the receipt of which is hereby 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).

Article 2. Description of Property

The Property consists of all of the land, and improvements thereon, that is located in the municipality of
_____, County of _____, State of New Jersey, and
described more specifically as Block No. _____ Lot No. _____, and known by the street address:

Article 3. Grantor's Covenant

The Grantor hereby covenants and affirms that Grantor has taken no action to encumber the Property.

Article 4. Affordable Housing Covenants

updated February 2015

Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*, the “Regulations”). Consistent with the Regulations, the following covenants (the “Covenants”) shall run with the land for the period of time commencing upon the earlier of (a) the date hereof or (b) the prior commencement of the “Control Period”, as that term is defined in the Regulations, and terminating upon the expiration of the Control Period as provided in the Regulations.

In accordance with N.J.A.C. 5:80-26.5, each restricted unit shall remain subject to the requirements of this subchapter, the “Control Period,” until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of at least 30 years; provided, however, that units located in high-poverty census tracts shall remain subject to these affordability requirements for a period of at least 10 years;

- A. The Property may be conveyed only to a household who has been approved in advance and in writing by _____, an administrative agent appointed under the Regulations (hereinafter, collectively, the “Administrative Agent”).
- B. No sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent, and no sale shall be for a consideration greater than 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 other 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 shall the Administrative Agent approve any such Debt, if incurring the Debt would make the total of all such Debt exceed Ninety-Five Percent (95%) of the applicable MRP.
- D. The owner of the Property shall at all times maintain the Property as his or her principal place of residence.
- E. Except as set forth in F, below, at no time shall the owner of the Property lease or rent the Property to any person or persons, except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent.
- F. If the Property is a two-family home, the owner shall lease the rental unit only to income-certified low-income households approved in writing by the Administrative Agent, shall charge rent no greater than the maximum permitted rent as determined by the Administrative Agent, 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 configuration, and in any event, 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.

Article 5. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing

updated February 2015

Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing. Accordingly, and as set forth in N.J.A.C. 5:80-26.18:

- 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 shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

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) to bind the corporation with respect to all matters dealt with herein.

Signed, sealed and delivered in the presence of or attested by:

_____ [seal]

_____ [seal]

_____ [seal]

_____ [seal]

CERTIFICATE OF ACKNOWLEDGEMENT BY INDIVIDUAL

State of New Jersey, County of _____

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

updated February 2015

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 _____, an officer authorized to take acknowledgements and proofs in the state of New Jersey. On this the ___ day of _____, 20___, _____ (hereinafter 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 which is the Grantor described as such in this deed (hereinafter the "Corporation").
2. _____, the officer who signed this Deed is the (title)_____ of the Corporation (hereinafter the "Corporate Officer").
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 is the corporate seal of the Corporation. The Corporate Officer affixed the seal to this Deed. 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 acknowledges 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 or type name below

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

APPENDIX F

MANDATORY DEED FORM FOR OWNERSHIP 95/5 UNITS

Deed

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

To State Regulated Property
With Covenants Restricting Conveyance
And Mortgage Debt – With 95/5 Recapture

THIS DEED is made on this the _____ day of _____, 20__ by and between

_____ (Grantor) and

_____ (Grantee).

Article 1. Consideration and Conveyance

In return for payment to the Grantor by the Grantee of _____ Dollars (\$ _____), the receipt of which is hereby 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).

Article 2. Description of Property

The Property consists of all of the land, and improvements thereon, that is located in the municipality of _____, County of _____, State of New Jersey, and described more specifically as Block No. _____ Lot No. _____, and known by the street address:

Article 3. Grantor's Covenant

The Grantor hereby covenants and affirms that Grantor has taken no action to encumber the Property.

Article 4. Affordable Housing Covenants

Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26

updated June 2007

(N.J.A.C. 5:80-26.1, *et seq.*, the “Regulations”). Consistent with the Regulations, the following covenants (the “Covenants”) shall run with the land for the period of time commencing upon the earlier of (a) the date hereof or (b) the prior commencement of the “Control Period”, as that term is defined in the Regulations, and terminating upon the expiration of the Control Period as provided in the Regulations.

- A. The Property may be conveyed only to a household who has been approved in advance and in writing by _____, an administrative agent appointed under the Regulations (hereinafter, collectively, the “Administrative Agent”).
- B. No sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent, and no sale shall be for a consideration greater than 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 other 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 shall the Administrative Agent approve any such Debt, if incurring the Debt would make the total of all such Debt exceed Ninety-Five Percent (95%) of the applicable MRP.
- D. The owner of the Property shall at all times maintain the Property as his or her principal place of residence.
- E. Except as set forth in F, below, at no time shall the owner of the Property lease or rent the Property to any person or persons, except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent.
- F. If the Property is a two-family home, the owner shall lease the rental unit only to income-certified low-income households approved in writing by the Administrative Agent, shall charge rent no greater than the maximum permitted rent as determined by the Administrative Agent, 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 configuration, and in any event, 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;
- H. The affordable housing covenants, declarations and restrictions implemented by this Declaration and by incorporation, N.J.A.C. 5:80-26.1 *et seq.*, shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to the Affordable Unit so long as the Affordable Unit remains subject to the affordability controls being implemented by this Declaration;
- I. The Affordable Units are subject to a _____ year affordability control period that commenced on the date of first conveyance of title, which is _____, of this Affordable Unit governed by this Declaration to a certified affordable purchaser who has executed the documents required by N.J.S.A. 5:80-26.1 *et seq.*

updated June 2007

Article 5. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing. Accordingly, and as set forth in N.J.A.C. 5:80-26.10A(b):

- 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 shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

Article 6. Notice of Resale, Recapture Covenant and 95/5 Purchase Options

- A. The owner of the Property is required to notify the [...ADMINISTRATIVE AGENT...] and New Jersey Council On Affordable Housing by certified mail of any intent to sell the property 90 days prior to entering into an agreement for the first non-exempt sale of the Property after the conclusion of the Control Period, as set forth in Section 5:93-9.8(b)(2) of the Substantive Rules of the New Jersey Council On Affordable Housing as in effect at the time the Property was first restricted as part of the Affordable Housing Program.
- B. Upon the first such non-exempt sale of the Property, Ninety-Five Percent (95%) of the difference between (i) the actual sale price and (ii) the regulated maximum sales price that would be applicable were the Control Period still in effect, shall be paid at closing to the New Jersey Department of Community Affairs, acting as receiving agent for the local municipality.
- C. Such non-exempt sale is subject to the options provided for in Sections 5:80-26.20 (Option to buy 95/5 units), 5:80-26.21 (Municipal option on 95/5 units), 5:80-26.22 (State option on 95/5 units), 5:80-26.23 (Non-profit option on 95/5 units), 5:80-26.24 (Seller option on 95/5 units), 5:80-26.25 (Municipal rejection of repayment option on 95/5 units) and 5:80-26.26 (Continued application of options to create, rehabilitate or maintain 95/5 units) of the Uniform Housing Affordability Control Rules, found in Title 5, Chapter 80, Subchapter 26, of the New Jersey Administrative Code.

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) to bind the corporation with respect to all matters dealt with herein.

Signed, sealed and delivered in

updated June 2007

The presence of or attested by: _____ [seal]

_____ [seal]

_____ [seal]

_____ [seal]

CERTIFICATE OF ACKNOWLEDGEMENT BY INDIVIDUAL

State of New Jersey, County of _____

I am either (check one) ___ a Notary Public or ___ a _____, an officer authorized to take acknowledgements and proofs in the state of New Jersey. I sign this acknowledgement below to certify 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" shall 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 _____, an officer authorized to take acknowledgements and proofs in the state of New Jersey. On this the ___ day of _____, 20___, _____ (hereinafter 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 which is the Grantor described as such in this deed (hereinafter the "Corporation").
2. _____, the officer who signed this Deed is the (title)_____ of the Corporation (hereinafter the "Corporate Officer").
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 is the corporate seal of the Corporation. The Corporate Officer affixed the seal to this Deed. 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.

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The Witness also acknowledges 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 or type name below

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

APPENDIX G

RESTRICTIVE COVENANT REQUIRED BY SECTION 5:80-26.5(d)

Declaration Of Covenants, Conditions
And Restrictions
Implementing Affordable Housing Controls
On State Regulated Property

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

For New Units

Fair Housing Act Required Covenants Restricting Use, Conveyance
And Mortgage Debt

THIS DECLARATION is made this ____ day of _____, 200_, by _____, a ___(State of domicile)___ (corporation, limited partnership or other entity), having its principle address at _____ (hereinafter referred to as "Developer").

WHEREAS, Developer is the owner of _____units, more fully described on Schedule A attached hereto and made a part hereof (hereinafter referred to as the "Affordable Units") which are situated within _____ a (condominium or residential development) consisting of a total of ___ dwelling units located in the Municipality of _____, County of _____, State of New Jersey; and

WHEREAS, municipalities within the State of New Jersey are required by the Fair Housing Act (P.L. 1985, c. 222) (hereinafter the "Act") to provide for their fair share of housing that is affordable to households with low or moderate incomes in accordance with the provisions of the Act; and

WHEREAS, the Act requires that municipalities insure that such designated housing remains affordable to low and moderate income households;

WHEREAS, pursuant to the Act, the Affordable Units described in Exhibit A attached to this Agreement have been designated as low and moderate income housing as defined by the Act; and

WHEREAS, the purpose of this Declaration is to insure that the described Affordable Units remain affordable to low and moderate-income eligible households for that period of time described in Section ____ of this Declaration.

updated June 2007

NOW, THEREFORE, it is the intent of this Declaration to insure that the affordability controls are recorded on each of the affordable units so as to bind the owners of the Affordable Units of the covenants, conditions and restrictions which they shall be required to comply and to notify all future purchasers of the affordable units that the housing unit is encumbered with affordability controls.

Article 1. Affordable Housing Covenants

The sale and use of each Affordable Unit subject to this Declaration is governed by regulations governing controls on affordability, which are found in New Jersey Administrative Code at Title 5, chapter 93, subchapter 9 (N.J.A.C. 5:93-9.1, *et seq*), and chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*) (the "Regulations"). Consistent with the Regulations, the following covenants (the "Covenants") shall run with the land, for each respective Affordable Unit, for the period of time commencing upon the earlier of (a) the date hereof or (b) the prior commencement of the "Control Period", as that term is defined in the Regulations, and terminating upon the expiration of the Control Period as provided in the Regulations.

- A. The Affordable Unit may be conveyed only to a household who has been approved in advance and in writing by _____, an administrative agent appointed under the Regulations (hereinafter, collectively, the "Administrative Agent").
- B. No sale of the Affordable Unit shall be lawful, unless approved in advance and in writing by the Administrative Agent, and no sale shall be for a consideration greater than 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 other debt (collectively, "Debt") secured by the Affordable Unit, may be incurred except as approved in advance and in writing by the Administrative Agent. At no time shall the Administrative Agent approve any such Debt, if incurring the Debt would make the total of all such Debt exceed Ninety-Five Percent (95%) of the applicable MRP.
- D. The owner of the Affordable Unit shall at all times maintain the Affordable Unit as his or her principal place of residence.
- E. Except as set forth in F, below, at no time shall the owner of the Affordable Unit lease or rent the Affordable Unit to any person or persons, except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent.
- F. If the Affordable Unit is a two-family home, the owner shall lease the rental unit only to income-certified low-income households approved in writing by the Administrative Agent, shall charge rent no greater than the maximum permitted rent as determined by the Administrative Agent, 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 Affordable Unit that would affect its bedroom configuration, and in any event, no improvement made to the Affordable Unit will be taken into consideration to increase the MRP, except for improvements approved in advance and in writing by the Administrative Agent.
- H. The affordable housing covenants, declarations and restrictions implemented by this Declaration and by incorporation, N.J.A.C. 5:80-26.1 *et seq.*, shall remain in effect despite the entry and

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enforcement of any judgment of foreclosure with respect to the Affordable Unit so long as the Affordable Unit remains subject to the affordability controls being implemented by this Declaration.

- I. In accordance with N.J.A.C. 5:80-26.5, each restricted unit shall remain subject to the requirements of this subchapter, the "Control Period," until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of at least 30 years; provided, however, that units located in high-poverty census tracts shall remain subject to these affordability requirements for a period of at least 10 years;

Article 2. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing. Accordingly, and as set forth in N.J.A.C. 5:80-26.10A(b):

- 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 Affordable Unit, the Administrative Agent shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, Developer has caused this instrument to be executed by its duly authorized partners and proper officers, respectively, this __ day of _____ 20__.

ATTEST:

(DEVELOPER)

By: _____

APPENDIX H

RESTRICTIVE COVENANT REQUIRED BY SECTION 5:80-26.5(d)

Declaration Of Covenants, Conditions
And Restrictions
Implementing Affordable Housing Controls
On State Regulated Property

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

For 95/5 Units

Fair Housing Act Required Covenants Restricting Use, Conveyance
And Mortgage Debt

THIS DECLARATION is made this ____ day of _____, 200_, by _____, a ___(State of domicile)___ (“condominium/homeowners association”), having its principle address at _____ (hereinafter referred to as “Grantor”).

WHEREAS, Grantor is the owner of an affordable housing unit, more fully described on Schedule A attached hereto and made a part hereof (hereinafter referred to as the “Affordable Unit”) which are situated within _____ a (condominium or residential development) consisting of a total of ___dwelling units, located in the Municipality of _____, County of _____, State of New Jersey; and

WHEREAS, municipalities within the State of New Jersey are required by the Fair Housing Act (P.L. 1985, c. 222) (hereinafter the “Act”) to provide for their fair share of housing that is affordable to households with low- or moderate-income in accordance with the provisions of the Act; and

WHEREAS, the Act requires that municipalities insure that such designated housing remains affordable to low- and moderate-income households;

WHEREAS, pursuant to the Act, the Affordable Units described in Exhibit A attached to this Agreement have been designated as low- and moderate-income housing as defined by the Act; and

WHEREAS, the purpose of this Declaration is to insure that the described Affordable Units remain affordable to low- and moderate-income eligible households for that period of time described in Section ____ of this Declaration.

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NOW, THEREFORE, it is the intent of this Declaration to insure that the affordability controls are recorded on each of the affordable units so as to bind the owners of the Affordable Units of the covenants, conditions and restrictions which they shall be required to comply and to notify all future purchasers of the affordable units that the housing unit is encumbered with affordability controls.

Article 1. Affordable Housing Covenants

The sale and use of each Affordable Unit subject to this Declaration is governed by regulations governing controls on affordability, which are found in New Jersey Administrative Code at Title 5, chapter 93, subchapter 9 (N.J.A.C. 5:93-9.1, *et seq.*), and chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq.*) (the "Regulations"). Consistent with the Regulations, the following covenants (the "Covenants") shall run with the land, for each respective Affordable Unit, for the period of time commencing upon the earlier of (a) the date hereof or (b) the prior commencement of the "Control Period", as that term is defined in the Regulations, and terminating upon the expiration of the Control Period as provided in the Regulations.

- A. The Affordable Unit may be conveyed only to a household who has been approved in advance and in writing by _____, an administrative agent appointed under the Regulations (hereinafter, collectively, the "Administrative Agent").
- B. No sale of the Affordable Unit shall be lawful, unless approved in advance and in writing by the Administrative Agent, and no sale shall be for a consideration greater than 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 other debt (collectively, "Debt") secured by the Affordable Unit, may be incurred except as approved in advance and in writing by the Administrative Agent. At no time shall the Administrative Agent approve any such Debt, if incurring the Debt would make the total of all such Debt exceed Ninety-Five Percent (95%) of the applicable MRP.
- D. The owner of the Affordable Unit shall at all times maintain the Affordable Unit as his or her principal place of residence.
- E. Except as set forth in F, below, at no time shall the owner of the Affordable Unit lease or rent the Affordable Unit to any person or persons, except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent.
- F. If the Affordable Unit is a two-family home, the owner shall lease the rental unit only to income-certified low-income households approved in writing by the Administrative Agent, shall charge rent no greater than the maximum permitted rent as determined by the Administrative Agent, 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 Affordable Unit that would affect its bedroom configuration, and in any event, no improvement made to the Affordable Unit will be taken into consideration to increase the MRP, except for improvements approved in advance and in writing by the Administrative Agent.
- H. The affordable housing covenants, declarations and restrictions implemented by this Declaration and by incorporation, N.J.A.C. 5:80-26.1 *et seq.*, shall remain in effect despite the entry and

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enforcement of any judgment of foreclosure with respect to the Affordable Unit so long as the Affordable Unit remains subject to the affordability controls being implemented by this Declaration.

I The Affordable Units are subject to a _____ year affordability control period that commenced on the date of first conveyance of title, which is _____, of this Affordable Unit governed by this Declaration to a certified affordable purchaser who has executed the documents required by N.J.S.A. 5:80-26.1 et seq.

Article 2. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing. Accordingly, and as set forth in N.J.A.C. 5:80-26.10A(b):

- 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 Affordable Unit, the Administrative Agent shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed by its duly authorized partners and proper officers, respectively, this __ day of _____20 .

ATTEST:

(GRANTOR)

By:_____

APPENDIX I

MANDATORY DEED FORM FOR OWNERSHIP UNITS SUBJECT TO
RESTRICTIVE COVENANT REQUIRED BY SECTION 5:80-26.5(d)

Prepared By:

Deed

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

To State Regulated Property
Subject To Restrictive Covenant Limiting Conveyance
And Mortgage Debt

THIS DEED is made on this the _____ day of _____, 20__ by and between

_____ (Grantor), whose address is about to
be _____ (insert new address of Seller) _____ and

_____ (insert name of Buyer(s), including status (e.g. husband and wife, an unmarried man, etc.))
_____ (Grantee), residing at _____
_____ (insert address of property) _____.

The words Grantor and Grantee shall mean all Grantors and Grantees listed above.

Article 1. Consideration and Conveyance

In return for payment to the Grantor by the Grantee of _____ Dollars

(\$ _____), the receipt of which is hereby 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).

Article 2. Description of Property

The Property consists of all of the land, and improvements thereon, that is located in the municipality of _____, County of _____, State of New Jersey, and described more specifically as Block No. _____ Lot No. _____, and known by the street address: _____, _____ all, as more particularly described in Schedule A attached hereto (attach metes and bounds description - "Schedule A.")

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Being the same premises conveyed to Grantor herein by Deed from _____ (name of previous grantor) _____ dated _____ (date of prior deed) _____ and recorded on _____ (date of recordation) _____ in Deed Book _____ page _____ in the office of the Clerk of _____, County.

Article 3. Grantor’s Covenant

The Grantor promises that Grantor has done no act to encumber the property. This promise is called a “covenant as to grantor’s act” (N.J.S.A. 46:4-6) This promise 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 and Remedies

Sale and use of the Property is governed by the *Declaration Of Covenants, Conditions And Restrictions Implementing Affordable Housing Controls On State Regulated Property* that was filed against the Property and recorded on _____, 20__ in Deed Book ___ at pages ___ through ___, in the offices of the Clerk, County of _____ (the “Restrictions), and is subject to all remedies set forth in the Restrictions.

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) to bind the corporation with respect to all matters dealt with herein.

Signed, sealed and delivered in
The presence of or attested by: _____ [seal]

_____ [seal]
_____ [seal]
_____ [seal]

CERTIFICATE OF ACKNOWLEDGEMENT BY INDIVIDUAL

State of New Jersey, County of _____

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

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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 _____, an officer authorized to take acknowledgements and proofs in the state of New Jersey. On this the ____ day of _____, 20____, _____ (hereinafter 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 which is the Grantor described as such in this deed (hereinafter the "Corporation").
2. _____, the officer who signed this Deed is the (title) _____ of the Corporation (hereinafter the "Corporate Officer").
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 is the corporate seal of the Corporation. The Corporate Officer affixed the seal to this Deed. 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 acknowledges 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 or type name below

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

APPENDIX J

MANDATORY DEED RESTRICTION FOR RENTAL PROJECTS

Deed Restriction

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

To State Regulated Multi-Family Rental Property
With Covenants Restricting Rentals, Conveyance and Improvements
And Requiring Notice of Foreclosure and Bankruptcy

THIS DEED RESTRICTION, entered into as of this the ___ day of _____, 20___, by and between the [Administrative Agent] ("Administrative Agent"), and _____ a New Jersey [Corporation / Partnership / Limited Partnership] having offices at _____ the developer/sponsor (the "Owner") of a residential low- or moderate-income rental project subsidized by the State Of New Jersey (the "State") in cooperation with the Administrative Agent, under the [Name of Program] (the "Project"):

WITNESSETH

Article 1. Consideration

In consideration of the subsidies received for the Project, the Owner hereby agrees to abide by the covenants, terms and conditions set forth in this Deed restriction, with respect to the land and improvements more specifically described in Article 2, hereof (the Property).

Article 2. Description of Property

[If the project is a 100 percent affordable development, use the following:]

The Property consists of all of the land, and improvements thereon, that is located in the municipality of _____, County of _____, State of New Jersey, and described more specifically as Block No. _____ Lot No. _____, and known by the street address:

[Where restrictions are limited to specific units within the project, use the following:]

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The Property consists of all of the land, and a portion of the improvements thereon, that is located in the municipality of _____, County of _____, State of New Jersey, and described more specifically as Block No. _____ Lot No. _____, and known by the street address:

More specifically designated as:

(List specific affordable units by address or apartment number.)

Article 3. Affordable Housing Covenants

The following covenants (the "Covenants") shall run with the land for the period of time (the "Control Period"), determined separately with respect for each dwelling unit, commencing upon the earlier of the date hereof or the date on which the first certified household occupies the unit, and shall and expire as determined under the Uniform Controls, as defined below.

In accordance with N.J.A.C. 5:80-26.11, each restricted unit shall remain subject to the requirements of this subchapter, the "Control Period," until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of at least 30 years; provided, however, that:

1. Units located in high-poverty census tracts shall remain subject to these affordability requirements for a period of at least 10 years; and
 2. Any unit that, prior to December 20, 2004, received substantive certification from COAH, was part of a judgment of compliance from a court of competent jurisdiction or became subject to a grant agreement or other contract with either the State or a political subdivision thereof, shall have its control period governed by said grant of substantive certification, judgment or grant or contract.
- A. Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq.*, the "Uniform Controls").
 - B. The Property shall be used solely for the purpose of providing rental dwelling units for low- or moderate-income households, and no commitment for any such dwelling unit shall be given or implied, without exception, to any person who has not been certified for that unit in writing by the Administrative Agent. So long as any dwelling unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto, and no sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent.
 - C. No improvements may be made to the Property that would affect the bedroom configuration of any of its dwelling units, and any improvements to the Property must be approved in advance and in writing by the Administrative Agent.
 - D. The Owner shall notify the Administrative Agent and the State of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.

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- E. The Owner shall notify the Administrative Agent and the State within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.

Article 4. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent, to the State and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing.

- A. In the event of a threatened breach of any of the Covenants by the Owner, or any successor in interest of the Property, the Administrative Agent and the State shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, the Administrative Agent and the Owner have executed this Deed Restriction in triplicate as of the date first above written.

[THE ADMINISTRATIVE AGENT]

BY: _____
XXXXXXXXXXXXXX
Title

[THE OWNER]

BY: _____
XXXXXXXXXXXXXX
Title

APPROVED BY THE STATE OF NEW JERSEY

BY: _____
XXXXXXXXXXXXXX
Title

ACKNOWLEDGEMENTS

On this the _____ day of _____, 20____ before me came _____, to me known and known to me to be the _____ of the Department of Community Affairs of the State of New Jersey, who states that (s)he has signed said Agreement on behalf of said State for the purposes stated therein.

NOTARY PUBLIC

On this the _____ day of _____, 20____ before me came _____, to me known and known to me to be _____, the Owner of the Property, who states that (s)he has signed said Agreement for the purposes stated therein.

NOTARY PUBLIC

On this the _____ day of _____, 20____ before me came _____ known and known to me to be _____ of _____, the Administrative Agent identified as such in the foregoing Agreement, who states that (s)he is duly authorized to execute said Agreement on behalf of the State, and that (s)he has so executed the foregoing Agreement for the purposes stated therein

NOTARY PUBLIC

APPENDIX K

MANDATORY DEED RESTRICTION FOR RENTAL PROJECTS

Deed Restriction

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

To Rental Property
With Covenants Restricting Rentals, Conveyance and Improvements
And Requiring Notice of Foreclosure and Bankruptcy

THIS DEED RESTRICTION, entered into as of this the ___ day of _____, 20___, by and between the [Administrative Agent] ("Administrative Agent"), or its successor, acting on behalf of _____ [Municipality], with offices at _____, and _____ a New Jersey [Corporation / Partnership / Limited Partnership] having offices at _____ the developer/sponsor (the "Owner") of a residential low- or moderate-income rental project (the "Project"):

WITNESSETH

Article 1. Consideration

In consideration of benefits and/or right to develop received by the Owner from the Municipality regarding this rental Project, the Owner hereby agrees to abide by the covenants, terms and conditions set forth in this Deed restriction, with respect to the land and improvements more specifically described in Article 2, hereof (the Property).

Article 2. Description of Property

[If the project is a 100 percent affordable development, use the following:]

The Property consists of all of the land, and improvements thereon, that is located in the municipality of _____, County of _____, State of New Jersey, and described more specifically as Block No. _____ Lot No. _____, and known by the street address:

[Where restrictions are limited to specific units within the project, use the following:]

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The Property consists of all of the land, and a portion of the improvements thereon, that is located in the municipality of _____, County of _____, State of New Jersey, and described more specifically as Block No. _____ Lot No. _____, and known by the street address:

More specifically designated as:

(List specific affordable units by address or apartment number.)

Article 3. Affordable Housing Covenants

The following covenants (the "Covenants") shall run with the land for the period of time (the "Control Period"), determined separately with respect for each dwelling unit, commencing upon the earlier of the date hereof or the date on which the first certified household occupies the unit, and shall and expire as determined under the Uniform Controls, as defined below.

In accordance with N.J.A.C. 5:80-26.11, each restricted unit shall remain subject to the requirements of this subchapter, the "Control Period," until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of at least 30 years; provided, however, that:

1. Units located in high-poverty census tracts shall remain subject to these affordability requirements for a period of at least 10 years; and
 2. Any unit that, prior to December 20, 2004, received substantive certification from COAH, was part of a judgment of compliance from a court of competent jurisdiction or became subject to a grant agreement or other contract with either the State or a political subdivision thereof, shall have its control period governed by said grant of substantive certification, judgment or grant or contract.
- A. Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*, the "Uniform Controls").
 - B. The Property shall be used solely for the purpose of providing rental dwelling units for low- or moderate-income households, and no commitment for any such dwelling unit shall be given or implied, without exception, to any person who has not been certified for that unit in writing by the Administrative Agent. So long as any dwelling unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto, and no sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent.
 - C. No improvements may be made to the Property that would affect the bedroom configuration of any of its dwelling units, and any improvements to the Property must be approved in advance and in writing by the Administrative Agent.

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- D. The Owner shall notify the Administrative Agent and the Municipality of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.
- E. The Owner shall notify the Administrative Agent and the Municipality within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.

Article 4. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent, to the Municipality and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing.

- A. In the event of a threatened breach of any of the Covenants by the Owner, or any successor in interest of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, the Administrative Agent and the Owner have executed this Deed Restriction in triplicate as of the date first above written.

[THE ADMINISTRATIVE AGENT]

BY: _____
XXXXXXXXXXXXX
Title

[THE OWNER]

BY: _____
XXXXXXXXXXXXX
Title

APPROVED BY _____ [Municipality]

BY: _____
XXXXXXXXXXXXX
Title

ACKNOWLEDGEMENTS

updated June 2007

On this the _____ day of _____, 20____ before me came _____, to me known and known to me to be the Administrative Agent for _____ [Municipality], who states that (s)he has signed said Agreement on behalf of said Municipality for the purposes stated therein.

NOTARY PUBLIC

On this the _____ day of _____, 20____ before me came _____, to me known and known to me to be _____, the Owner of the Property, who states that (s)he has signed said Agreement for the purposes stated therein.

NOTARY PUBLIC

On this the _____ day of _____, 20____ before me came _____ known and known to me to be _____ of _____, the Municipality identified as such in the foregoing Agreement, who states that (s)he is duly authorized to execute said Agreement on behalf of said Municipality, and that (s)he has so executed the foregoing Agreement for the purposes stated therein

NOTARY PUBLIC

APPENDIX L

MANDATORY DEED RESTRICTION FOR REHABILITATED RENTAL PROPERTY

Deed Restriction

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

To Rehabilitated Rental Property
With Covenants Restricting Rentals, Conveyance and Improvements
And Requiring Notice of Foreclosure and Bankruptcy

THIS DEED RESTRICTION, entered into as of this the ___ day of _____, 20___, by and between the [Administrative Agent] ("Administrative Agent"), or its successor, acting on behalf of _____ [Municipality], with offices at _____, and _____ [a New Jersey [Corporation / Partnership / Limited Partnership having offices] at _____ the owner (the "Owner") of a residential low- or moderate-income rental property (the "Property"):

WITNESSETH

Article 1. Consideration

In consideration of the subsidies received by the Owner from the Municipality regarding this rental Property, the Owner hereby agrees to abide by the covenants, terms and conditions set forth in this Deed restriction, with respect to the land and improvements more specifically described in Article 2, hereof (Description of Property).

Article 2. Description of Property

The Property consists of all of the land, and improvements thereon, that is located in the municipality of _____, County of _____, State of New Jersey, and described more specifically as Block No. _____ Lot No. _____, and known by the following street address:

(Attach Schedule A with a detailed description of the Rental Property)

Article 3. Affordable Housing Covenants

The following covenants (the "Covenants") shall run with the land for a period of ten (10) years, determined separately with respect for each restricted unit, beginning on the date the restricted unit has

undergone final inspection as set forth in the contract entered into by and between the Owner and Municipality in consideration of the subsidy received by Owner for said improvements and ending after the Property occupied by an income eligible household shall become vacant, (the “Control Period).

- A. Sale, rental and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*, the “Uniform Controls”).
- B. The Property shall be used solely for the purpose of providing rental dwelling units for low- or moderate-income households, and no commitment for any such dwelling unit shall be given or implied, without exception, to any person who has not been certified for that unit in writing by the Administrative Agent. So long as any dwelling unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto, and no sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent.
- C. No improvements may be made to the Property that would affect the bedroom configuration of any of its dwelling units, and any improvements to the Property must be approved in advance and in writing by the Administrative Agent.
- D. The Owner shall notify the Administrative Agent and the Municipality of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.
- E. The Owner shall notify the Administrative Agent and the Municipality within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.

Article 4. Foreclosure

- A. This Agreement shall not be terminated in the event of a Judgment of Foreclosure on the properties that include Affordable Housing Units that are designated as rental units.
- B. The terms and restrictions of this Agreement shall be subordinated only to the First Purchase Money Mortgage lien on the Affordable Housing Property and in no way shall impair the First Purchase Money Mortgagee’s ability to exercise the contract remedies available to it in the event of any default of such mortgage as such remedies are set forth in the First Purchase Money Mortgage documents for the Affordable Housing Unit.

An Execution of Foreclosure sale by any other class of creditor or mortgagee shall not result in a release of the Affordable Housing unit from the provisions and restrictions of this Agreement

Article 5. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent, to the Municipality and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing.

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

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- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, the Administrative Agent and the Owner have executed this Deed Restriction in triplicate as of the date first above written.

[THE ADMINISTRATIVE AGENT]

BY: _____
XXXXXXXXXXXXX
Title

[THE OWNER]

BY: _____
XXXXXXXXXXXXX
Title

APPROVED BY _____ [Municipality]

BY: _____
XXXXXXXXXXXXX
Title

ACKNOWLEDGEMENTS

On this the _____ day of _____, 20____ before me came _____, to me known and known to me to be the Administrative Agent for _____ [Municipality], who states that (s)he has signed said Agreement on behalf of said Municipality for the purposes stated therein.

NOTARY PUBLIC

On this the _____ day of _____, 20____ before me came _____, to me known and known to me to be _____, the Owner of the Property, who states that (s)he has signed said Agreement for the purposes stated therein.

NOTARY PUBLIC

On this the _____ day of _____, 20____ before me came _____ known and known to me to be _____ of _____, the Municipality identified as such in the foregoing Agreement, who states that (s)he is duly authorized to execute said Agreement on behalf

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of said Municipality, and that (s)he has so executed the foregoing Agreement for the purposes stated therein

NOTARY PUBLIC

updated January 2006

APPENDIX M

FORM OF RELEASE (Quitclaim Deed) FOR RESTRICTED UNITS

QUITCLAIM DEED
RELEASING OWNERSHIP UNIT FROM AFFORDABILITY CONTROLS

THIS DEED, made as of this the ____ day of _____, 20__ by and between _____(Municipality OR State), acting by and through _____ (its Administrative Agent, address) (the "GRANTOR"), and the _____,(the "GRANTEE");

WHEREAS, on or about _____, an [Affordable Housing Agreement or Deed] [and a Repayment Mortgage (the "Mortgage") together] containing Fair Housing Act deed restrictions (the "RESTRICTIONS") were executed by _____, and were subsequently recorded in the Registrar's Office of the Clerk, County of _____, State of New Jersey, in, respectively, Deed Book ____ at pages ____ through ____, [and Mortgage Book ____ at pages ____ through ____,] in connection with the property identified below (the "PROPERTY");

WHEREAS, under the terms of the Agreement and Mortgage, all Restrictions lapsed on _____.

NOW THEREFORE, and in consideration of \$1 in hand received and other good and valuable consideration,

The GRANTOR grants and forever releases to the GRANTEE, so that the lands described below may be conveyed free from the encumbrance of the RESTRICTIONS, any and all restrictions and claims of the GRANTOR, upon that certain real property, located in the Municipality of _____, County of _____, State of New Jersey, more particularly described as:

Being known and designated as Lot _____, Block _____ in the Municipality of _____, County of _____, State of New Jersey, and more commonly known as _____, New Jersey _____.

SUBJECT TO all easements, covenants and restrictions of record.

The GRANTOR has received full consideration from the GRANTEE.

The GRANTOR signs this Deed as of the date first above written.

Attest: [Administrative Agent]

_____ by: _____

APPENDIX N

FORM OF NOTE FOR PAYMENT OF RECAPTURE AMOUNT FOR A 95/5 UNIT

State of New Jersey
Department of Community Affairs
Housing and Mortgage Finance Agency

95/5 Mortgage Note

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

In Connection With Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS NOTE, is dated as of _____. For value received _____ (referred to "Owner") promises to pay to THE STATE OF NEW JERSEY, acting by and through its Department of Community Affairs, which has its principal offices at 101 South Broad Street in the City of Trenton, County of Mercer, State of New Jersey (the "STATE"), and which is acting as receiving agent for the [MUNICIPALITY] , the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Owner is giving the State a "Repayment Mortgage To Secure Payment of Amounts Due Upon First Non-Exempt Sale After Expiration of Control Period" (the "MORTGAGE") , dated _____, of the property described below (the "PROPERTY"). The Mortgage covers real estate owned by the Owner. The Mortgage will not be subordinate, and will not be subordinated by the State, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the MRP that would be applicable were the Control Period still in effect, as those terms are defined in Article 2 of the Mortgage.

Article 2. OWNERS PROMISE TO PAY AND OTHER TERMS

Upon the first non-exempt sale of the Property after the date of this Note, Ninety-Five Percentum (95%) of the difference between (i) the actual sale price and (ii) the regulated maximum sales price that would be applicable were the Control Period still in effect, as set forth in Section 5:93-9.8(b)(2) of the Substantive Rules of the New Jersey Council On Affordable Housing as in effect at the time the Property was first restricted as part of the Affordable Housing Program in October of 1990, shall be paid at closing to the State of New Jersey, acting as receiving agent for the local municipality.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey, described more specifically as Block No. ____ Lot No.____, and known by the street address: _____.

Article 4. WAIVER OF FORMAL ACTS

The Owner waives its right to require the State to do any of the following before enforcing its rights under this Note:

- 1. To demand payment of amount due (known as Presentment).
- 2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
- 3. To obtain an official certificate of non-payment (known as Protest).

Article 5. RESPONSIBILITY UNDER NOTE

All Owners signing this Note are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Authority may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Mortgage and this Note at no charge.

Dated:

ATTEST:

By:

Signature (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY, COUNTY OF _____)

On this the day of _____, 20__ before me came _____, who acknowledges and makes proof to my satisfaction that she is the Owner named within this Note, and that she has executed said Note for the purposes set forth therein, sworn to and subscribed by her in my presence on this date.

Sworn to and subscribed before me this the _____ day of _____, 20__.

A Notary Public/Attorney of the State of New Jersey

APPENDIX O

FORM OF MORTGAGE SECURING PAYMENT OF
RECAPTURE AMOUNT FOR A 95/5 UNIT

State of New Jersey
Department of Community Affairs
Housing and Mortgage Finance Agency

Affordable Housing Program

Repayment Mortgage

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

To Secure Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS MORTGAGE, made on this the ____ day of _____, 20____ by and between _____, (the "OWNER") and THE STATE OF NEW JERSEY, acting by and through (the Housing and Mortgage Finance Agency or Commissioner of the Department of Community Affairs (the "STATE")), in connection with the property described herein (the "PROPERTY");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, including but not limited to certification by the State for participation in the affordable Housing Program and for release by the State of prior recorded restriction documents, the Owner has signed a Repayment Mortgage Note (the "Note") dated _____. The Owner promises to pay to the State amounts due under the Repayment Mortgage Note, and to abide by all obligations contained therein.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the State as security for the payment required to be paid upon the first non-exempt sale of the Property, which requirement is set forth in Section 5:93-9.8(b)(2) of the Substantive Rules of the New Jersey Council On Affordable Housing, as in effect at the time the Property was first restricted under the Affordable Housing program, after the completion of the control period established pursuant to Section 5:93-9.2 of said Rules (the "Control Period"). The amount of any such payment shall be determined by calculating Ninety-Five Percent (95%) of

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the difference between (a) the actual sale price and (b) the regulated maximum sales price (Maximum Resale Price, or "MRP") that would be applicable were the Control Period still in effect.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey (hereinafter the "Property"), described more specifically as Block No. _____ Lot No. _____, and known by the street address:

Article 4. RIGHTS GIVEN TO STATE

The Owner, by mortgaging the Property to the State, gives the State those rights stated in this Mortgage, and all the rights the law gives to the State under Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*). The rights given to the state are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Owner and all subsequent purchasers and owners of the Property, and the heirs and assigns of all of them. Upon performance of the promises contained in Note and Mortgage, the state will prepare and deliver to the then current owner of record a quitclaim deed or other document of release.

Article 5. DEFAULT

The State may declare the Owner in default on this Mortgage and on the Note if:

1. The Owner attempts to convey an interest in the Property without giving prior written notice to the State;
2. The ownership of the Property is changed for any reason other than in the course of an exempt sale;
3. The Owner fails to make any payment required by the Note;
4. The holder of any lien on the Property starts foreclosure proceedings; or
5. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

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Article 6. STATE'S RIGHTS UPON DEFAULT

If the State declares that the Note and this Mortgage are in default, the State shall have all of the rights given by law or set forth in this Mortgage.

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON WRITTEN NOTICE, MADE IN ACCORDANCE WITH THIS ARTICLE 7.

Article 8. NO WAIVER BY STATE

The State may exercise any right under this Mortgage or under any law, even if the state has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The State does not waive its right to declare the Owner is in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

The Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The State may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individual.

Article 10. SUBORDINATION

This Mortgage will not be subordinate, and will not be subordinated by the State, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the MRP that would be applicable were the Control Period still in effect.

Article 11. SUBSEQUENT OWNERS

This Mortgage shall not be released, with respect to any subsequent owner who acquires the property through an exempt transfer unless the transferee shall execute a note and mortgage in the form of the Note and this Mortgage, and the same has been duly recorded.

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Article 12. AMENDMENTS

No amendment or change to the Note and this Mortgage may be made, except in a written document signed by both parties.

Article 13. SIGNATURES

By executing this Mortgage on page 3, hereof, the Owner agrees to all of its terms and conditions.

Article 14. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST: _____

Signature of (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20__ the subscriber
_____ appeared personally before me (*If more than*

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one person signed the foregoing mortgage and appeared before me, the words “the subscriber” and “the Owner” shall include all such persons) and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

NOTARY PUBLIC

APPENDIX P

FORM OF HAS MUNICIPAL AGREEMENT

CONTRACT FOR THE PROVISION OF
HOUSING AFFORDABILITY CONTROL SERVICES

THIS AGREEMENT, entered into as of this the ___ day of _____, 20___, by and between the STATE OF NEW JERSEY (the "State"), acting by and through the New Jersey Housing and Mortgage Finance Agency, with offices at 637 South Clinton Avenue in the City of Trenton, County of Mercer and State of New Jersey, ("Agency"), and _____ a municipality and instrumentality of the State, acting by and through its _____, who has offices at _____(the "Municipality").

WITNESSETH

WHEREAS, under authorization of the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301, *et seq.*, hereinafter the "Act") the Municipality is implementing a program to provide affordable housing units to low and moderate-income households desiring to live within the Municipality;

WHEREAS, at Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code, the State has promulgated affordability controls in regulations designed to implement the Act, by assuring that low and moderate-income units that are created under the Act are occupied by low and moderate-income households for an appropriate period of time (the "Rules");

WHEREAS, Section 5:80-26.14 of the Rules provides that affordability controls are to be administered by an administrative agent acting on behalf of a municipality, and provides further that a municipality may select the Agency's Housing Affordability Service ("HAS") to administer such controls; and

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WHEREAS, the Municipality has selected HAS to be the administrative agent for the purposes of providing affordability control services for all affordable housing constructed and to be constructed within the Municipality,

NOW THEREFORE, the State and the Municipality hereby agree to the following terms and conditions:

Section 1. Term

This Agreement shall become effective as of the ___ day of _____, 20___, and shall have a term of three (3) years, terminating at the close of State business on the ___ day of _____, 20___, subject to the termination and renewal provisions set forth in *Section 5*, below..

Section 2. Applicability and Supersession

This Agreement shall define and govern all terms between the parties with respect to affordability controls for affordable housing units provided under the Act, and shall supersede all prior agreements or documents related thereto.

Section 3. Exclusions

This Agreement shall not apply to units funded under:

- a. The Federal Low-Income Housing Tax Credit program under Section 42 of the Internal Revenue Code;
- b. The Federal HOME program, 24 C.F.R. §92.252(e), §92.254(a)(4);
- c. The HUD 202 program, 24 C.F.R. Part 891;
- d. The HUD 811 program, 24 C.F.R. Part 890;
- e. The HUD HOPE VI program;

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- f. Federal Home Loan Bank, Affordable Housing Program, 12 C.F.R. Part 60; or
- g. Or any other program excluded under the Rules.

Section 4. Agency and Enforcement Delegation

The State and the Municipality acknowledge that under the Rules the State is acting hereunder primarily as an agent of the Municipality. Anything herein to the contrary notwithstanding, however, the Municipality hereby delegates to the State, and the State hereby accepts, primary responsibility for enforcing substantive provisions of the Act and the Rules.

Section 5. Termination and Renewal

- a. The Agreement may be terminated by either party, by giving six (6) months advanced written notice to the other, to the address and in the form as set forth in *Section 15*, below, provided however, that no such termination may take effect unless and until an alternate administrative agent has been selected by the Municipality and approved by all required governmental authorities.
- b. Unless terminated, this Agreement shall automatically be renewed for two (2) successive terms of three (3) years each.

Section 6. Exclusivity of Agreement, Project Amendments

- a. For the term hereof, and without exception, this Agreement shall govern the provision of affordability control services for all projects located within the Municipality that fall under the jurisdiction of the Act.
- b. Individual projects for which affordability control services are to be provided hereunder shall each be evidenced by a contract amendment (“Project Amendment”) that has been executed by the State, by the Municipality and by the project developer. All such Project Amendments shall be in the specific form set forth as *Exhibit A*, hereto.

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c. The annexing of a fully executed original of a Project Amendment to HAS' original of this Agreement shall be a condition precedent to the provision of any affordability control services to the related project.

Section 7. Responsibilities of The State

The State shall perform or assign all of the duties and responsibilities of an administrative agent as are set forth in the Rules, including those set forth in Sections 5:80-26.14, 16 and 18 thereof, as such Rules may from time to time be amended.

Section 8. Responsibilities of The Municipality

The Municipality shall:

a. Provide to the State the name, title and telephone number of the municipal official who shall be responsible for liaison with the State on all matters related to this Agreement;

b. Use its best efforts to ensure that applicable local ordinances are not in conflict with either the Rules or the provisions of this Agreement;

c. Ensure that all restricted units are identified as affordable within the tax assessor's office and any municipal utility authority (MUA). The municipality and MUA shall promptly notify the administrative agent of a change in billing address, payment delinquency of two billing cycles, transfer of title, or institution of a writ of foreclosure on all affordable units.

d. Provide all reasonable and necessary assistance to the State in support of efforts to enforce provisions of the Act, the Rules, deed covenants, mortgages court decisions or other authorities governing the affordability control services to be provided under the Agreement.

Section 9. Notices

All notices and other written communications between the State and the Municipality shall be to the addresses and personnel specified below:

updated January 2006

if to the State:

New Jersey Housing and Mortgage Finance Agency
Housing Affordability Service
637 South Clinton Avenue
Trenton, NJ 08650-2085

if to the Municipality:

....

....

....

Attn:

Section 10. Non-Waiver of Conditions

The failure of either party to insist upon strict performance of any provision of this Agreement in any one or more instances shall not constitute a consent to waiver of or excuse for any other different or subsequent breach of the same of other provision, nor as a result shall either part relinquish any rights which it may have under this Agreement. No terms or provisions hereof shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by the waiving party.

Section 11. Incorporation of Standard State Conditions

Exhibit B, the general provisions required to be included in this Agreement by the Office of the Attorney General, “_____”, is hereby incorporated into and made a part of this Agreement.

Section 12. Priority of Documents

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Should a conflict or inconsistency exist between the terms of this Agreement and *Exhibits A*, and *B*, incorporated herein by reference, said conflict or inconsistency shall be resolved by giving precedence to the Agreement and Exhibits in the following order:

1. Agreement (Including *Exhibit A*)
2. *Exhibit B* (State Conditions)

Section 13. Merger and Amendment

This written Agreement, together with its Exhibits, constitutes the sole agreement between the parties with respect to the matters covered therein, and no other written or oral communication exists which shall bind the parties with respect thereto, provide however that this Agreement may be modified by written amendments clearly identified as such and signed by both the State and the Municipality.

Section 14. Partial Invalidation of Agreement

Should any provision of this Agreement be deemed or held to be invalid, ineffective or unenforceable, under present or future laws, the remainder of the provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the State and the Municipality have executed this Agreement in triplicate as of the date first above written.

THE STATE OF NEW JERSEY
HOUSING AND MORTGAGE FINANCE AGENCY

BY:

XXXXXXXXXXXXXXXXXX

Title

THE MUNICIPALITY OF _____

BY _____

XXXXXXXXXXXXXXXX

Title

ACKNOWLEDGEMENTS

On this the _____ day of _____, 20____ before me came _____, to me known and known to me to be the _____ of the Housing and Mortgage Finance Agency of the State of New Jersey, who states that (s)he has signed said Agreement on behalf of said State for the purposes stated therein.

NOTARY PUBLIC

On this the _____ day of _____, 20____ before me came _____ known and known to me to be _____ of _____, the municipality identified as such in the foregoing Agreement, who states that (s)he is duly authorized to execute said Agreement on behalf of said Municipality, and that (s)he has so executed the foregoing Agreement for the purposes stated therein.

NOTARY PUBLIC

APPENDIX Q

FORM OF CERTIFICATE FOR APPLICANTS CERTIFIED TO OWNERSHIP
UNIT, REQUIRED BY SECTION 5:80-26.18(c)(2)

CERTIFICATE FOR APPLICANT
CERTIFIED TO AN OWNERSHIP UNIT SUBJECT TO
AFFORDABLE HOUSING RESTRICTIONS

My name is _____ and I am making this certificate in
connection with my certification to purchase

_____, a home provided under the New
Jersey Affordable Housing Program.

I am aware, as the purchaser of an Affordable Home, that from this date until _____,
20__ I have to follow the rules and requirements that are listed below: _____.

1. I am allowed to sell my home only a person or a family who is part of the Affordable Housing Program, and who has been certified, like I have been, in writing by _____.
2. The price for which I can sell my house is limited by law, and may be much less than the sale prices of other homes similar to mine, but which are not part of the Affordable Housing Program.
3. I cannot take out any loans of any kind secured by my house (a "mortgage loan") unless my plans to get the loan are approved by _____ before I

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sign any loan papers. The total amount of mortgage loans I am allowed to have is limited by law.

4. I know that I am required to live in my house, and that I cannot rent it out to any other person, not even to members of my family. If I have a temporary need to move away that is not my fault, such as if my employer is temporarily sending me to a work place a great distance from my home, or if I am being called up for military service, I should call _____ and ask for a “temporary waiver” of this rule. It is up to _____ whether I get a temporary waiver.
5. If my home is a two-family home, I know that I am allowed to rent the rental apartment in my home only to a person or to a family who is part of the Affordable Housing Program, and who has been certified to rent my rental apartment in writing by _____.
6. Furthermore, I know that the rent I am allowed to charge a tenant is limited by law, and is announced each year by _____. I know that it is my responsibility to find out what is the maximum rent I am allowed to charge by calling _____.
7. I know that I am required to send copies of all leases with my tenants to _____.
8. I know that I am not allowed to make any improvements to my home unless they have been approved in writing by _____.
9. Finally, I know that if I break any of these rules I will be breaking the law, and that I will be subject to penalties provided by law, including having to pay fines and possibly losing my home.

updated January 2006

Signature of Owner

Signature of Co-Owner

BE IT REMEMBERED, that on this the _____ day of _____, 20__ the signer of this Certificate _____ appeared personally before me and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Purchaser of the Affordable home that is identified as said Purchaser in the foregoing Certificate, and (ii) and that he/she has executed said Certificate with respect to the purchase of the property described in the Certificate and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

NOTARY PUBLIC

APPENDIX R

FORM OF CERTIFICATE FOR APPLICANTS CERTIFIED TO
RENTAL UNIT, REQUIRED BY SECTION 5:80-26.18(c)(2)

CERTIFICATE FOR APPLICANT
CERTIFIED TO A RENTAL UNIT SUBJECT TO
AFFORDABLE HOUSING RESTRICTIONS

My name is _____ and I am making this certificate in
connection with my certification to rent the Affordable Housing unit located at
_____.

I am aware, as the renter of an Affordable unit, that from this date until _____, 20__ as
long as I am renting the unit described above, my renting the apartment is subject to the
requirements that are listed below:

1. I am required to pay all rent set forth in my lease on time and in the manner provided for
in my lease.
2. I know that I am required to live in my apartment, and that I cannot sublease it or rent it
out to any other person, not even to members of my family.
3. I know that the maximum rent I am supposed to pay to my landlord is limited by law, that
it is announced each year by _____, and that I can call
_____ at any time if I have any questions about what rent I am supposed
to be paying.

updated January 2006

4. I know that I am not allowed to make any improvements to my apartment unless they have been approved in writing by _____.

BE IT REMEMBERED, that on this the _____ day of _____, 20__ the signer of this Certificate _____ appeared personally before me and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the renter of the Affordable unit that is identified as said renter in the foregoing Certificate, and (ii) and that he/she has executed said Certificate with respect to the lease of the property described in the Certificate and for the purposes described and set forth therein.

Applicant Signature _____ Date

Sworn to and subscribed before me, _____ on the date set forth above.

NOTARY PUBLIC

APPENDIX S

FORM OF RECAPTURE MORTGAGE NOTE IN FAVOR OF STATE, REQUIRED BY

SECTION 5:80-26.5(c)

State of New Jersey
Department of Community Affairs

Recapture Mortgage Note

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

In Connection With Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS NOTE is dated as of _____. For value received _____ (referred to "Owner") promises to pay to THE STATE OF NEW JERSEY, acting by and through its Department of Community Affairs, which has its principal offices at 101 South Broad Street in the City of Trenton, County of Mercer, State of New Jersey (the "STATE"), the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Owner is giving the State a "Repayment Mortgage To Secure Payment of Amounts Due Upon First Non-Exempt Sale After Expiration of Control Period" (the "MORTGAGE"), dated _____, of the property described below (the "PROPERTY"). The Mortgage covers real estate owned by the Owner. The Mortgage will not be subordinate, and will not be subordinated by the State, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price (MRP) that would be applicable were the Control Period still in effect, as those terms are defined in Article 2 of the Mortgage.

Article 2. OWNERS PROMISE TO PAY AND OTHER TERMS

Upon the first non-exempt sale of the Property after the date of this Note, the Owner, or the heir, successor or assignee of the Owner then selling the Property, shall pay the sum of \$[insert amount determined pursuant to N.J.A.C. 5:80-26.5(c)] to the State of New Jersey, acting by and through its Department of Community Affairs. The obligation evidenced by this note shall not accrue interest.

updated June 2007

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey, described more specifically as Block No. ____ Lot No.____, and known by the street address: _____.

Article 4. WAIVER OF FORMAL ACTS

The Owner waives its right to require the State to do any of the following before enforcing its rights under this Note:

- 1. To demand payment of amount due (known as Presentment).
- 2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
- 3. To obtain an official certificate of non-payment (known as Protest).

Article 5. RESPONSIBILITY UNDER NOTE

All Owners signing this Note are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The State may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Mortgage and this Note at no charge.

Dated:

ATTEST:

By:

Signature (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)
)
COUNTY OF _____)

ss.:

updated June 2007

On this the _____ day of _____, 20__ before me came _____, who acknowledges and makes proof to my satisfaction that she is the Owner named within this Note, and that she has executed said Note for the purposes set forth therein, sworn to and subscribed by her in my presence on this date.

Sworn to and subscribed before me this the _____ day of _____, 20__.

A Notary Public/Attorney of the State of New Jersey

APPENDIX T

FORM OF MORTGAGE SECURING PAYMENT OF
RECAPTURE NOTE IN FAVOR OF THE STATE,
REQUIRED BY SECTION 5:80-26.5(c)

State of New Jersey
Department of Community Affairs

Affordable Housing Program

Repayment Mortgage

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

To Secure Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS MORTGAGE, made on this the ____ day of _____, 20____ by and between _____, (the "OWNER") and THE STATE OF NEW JERSEY, acting by and through its Commissioner of the Department of Community Affairs (the "STATE"), in connection with the property described herein (the "PROPERTY");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, the Owner has signed a Recapture Mortgage Note (the "Note") dated _____. The Owner promises to pay to the State amounts due under the Repayment Mortgage Note, and to abide by all obligations contained therein.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the State as security for the payment required to be paid upon the first non-exempt sale of the Property, as provided under the rules of the New Jersey Housing and Mortgage Finance Agency set forth in N.J.A.C. 5:80-26.1 et seq. Upon the first non-exempt sale of the Property after the date of this Note, the Owner, or the heir, successor or assignee of the

updated June 2007

Owner then selling the Property, shall pay the sum of \$[insert amount determined pursuant to N.J.A.C. 5:80-26.5(c)] to the State of New Jersey, acting by and through the Department of Community Affairs. The obligation evidenced by this note shall not accrue interest.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey (hereinafter the "Property"), described more specifically as Block No. _____ Lot No. _____, and known by the street address:

Article 4. RIGHTS GIVEN TO STATE

The Owner, by mortgaging the Property to the State, gives the State those rights stated in this Mortgage, and all the rights the law gives to the State under Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq.*). The rights given to the state are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Owner and all subsequent purchasers and owners of the Property, and the heirs and assigns of all of them. Upon performance of the promises contained in Note and Mortgage, the State will prepare and deliver to the then current owner of record a quitclaim deed or other document of release.

Article 5. DEFAULT

The State may declare the Owner in default on this Mortgage and on the Note if:

1. The Owner attempts to convey an interest in the Property without giving prior written notice to the State;
2. The ownership of the Property is changed for any reason other than in the course of an exempt sale;
3. The Owner fails to make any payment required by the Note;
4. The holder of any lien on the Property starts foreclosure proceedings; or
5. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

updated June 2007

Article 6. STATE'S RIGHTS UPON DEFAULT

If the State declares that the Note and this Mortgage are in default, the State shall have all of the rights given by law or set forth in this Mortgage.

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON WRITTEN NOTICE, MADE IN ACCORDANCE WITH THIS ARTICLE 7.

Article 8. NO WAIVER BY STATE

The State may exercise any right under this Mortgage or under any law, even if the state has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The State does not waive its right to declare the Owner is in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

The Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The State may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individual.

Article 10. SUBORDINATION

This Mortgage will not be subordinate, and will not be subordinated by the State, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price that would be applicable were the Control Period still in effect.

Article 11. SUBSEQUENT OWNERS

This Mortgage shall not be released, with respect to any subsequent owner who acquires the property through an exempt transfer unless the transferee shall execute a note and mortgage in the form of the Note and this Mortgage, and the same has been duly recorded.

updated June 2007

Article 12. AMENDMENTS

No amendment or change to the Note and this Mortgage may be made, except in a written document signed by both parties and approved by the administrative agent appointed pursuant to N.J.A.C. 5:80-26.1 et seq..

Article 13. SIGNATURES

By executing this Mortgage on page 3, hereof, the Owner agrees to all of its terms and conditions.

Article 14. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST:

Signature of (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20__ the subscriber _____ appeared personally before me *(If more than one person signed the foregoing mortgage and appeared before me, the words "the subscriber" and "the Owner" shall include all such persons)* and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

updated June 2007

Sworn to and subscribed before me, _____ on the date
set forth above.

NOTARY PUBLIC

APPENDIX U

FORM OF RECAPTURE MORTGAGE NOTE IN FAVOR OF MUNICIPALITY, REQUIRED
BY SECTION 5:80-26.5(c)

State of New Jersey
Department of Community Affairs
Housing and Mortgage Finance Agency

[NAME OF MUNICIPALITY]

Recapture Mortgage Note

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

In Connection With Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS NOTE is dated as of _____. For value received _____ (referred to "Owner") promises to pay to [NAME OF MUNICIPALITY], which has its principal offices at [ADDRESS OF MUNICIPAL OFFICES] (the "Municipality"), the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Owner is giving the Municipality a "Repayment Mortgage To Secure Payment of Amounts Due Upon First Non-Exempt Sale After Expiration of Control Period" (the "MORTGAGE"), dated _____, of the property described below (the "PROPERTY"). The Mortgage covers real estate owned by the Owner. The Mortgage will not be subordinate, and will not be subordinated by the Municipality, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price (MRP) that would be applicable were the Control Period still in effect, as those terms are defined in Article 2 of the Mortgage.

Article 2. OWNERS PROMISE TO PAY AND OTHER TERMS

updated January 2006

Upon the first non-exempt sale of the Property after the date of this Note, the Owner, or the heir, successor or assignee of the Owner then selling the Property, shall pay the sum of \$[insert amount determined pursuant to N.J.A.C. 5:80-26.5(c)] to the Municipality. The obligation evidenced by this note shall not accrue interest.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey, described more specifically as Block No. ____ Lot No.____, and known by the street address: _____.

Article 4. WAIVER OF FORMAL ACTS

The Owner waives its right to require the Municipality to do any of the following before enforcing its rights under this Note:

1. To demand payment of amount due (known as Presentment).
2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
3. To obtain an official certificate of non-payment (known as Protest).

Article 5. RESPONSIBILITY UNDER NOTE

All Owners signing this Note are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Municipality may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Mortgage and this Note at no charge.

Dated:

ATTEST:

By:

Signature (Owner)

Signature (Co-Owner)

updated January 2006

STATE OF NEW JERSEY)
)
COUNTY OF _____) ss.:

On this the day of , 20__ before me came _____, who acknowledges and makes proof to my satisfaction that she is the Owner named within this Note, and that she has executed said Note for the purposes set forth therein, sworn to and subscribed by her in my presence on this date.

Sworn to and subscribed before me this the _____ day of _____, 20__.

A Notary Public/Attorney of the State of New Jersey

APPENDIX V

FORM OF MORTGAGE SECURING PAYMENT OF
RECAPTURE NOTE IN FAVOR OF THE MUNICIPALITY,
REQUIRED BY SECTION 5:80-26.5(c)

State of New Jersey
Department of Community Affairs
New Jersey Housing and Mortgage Finance Agency
[name of municipality]

Affordable Housing Program

Repayment Mortgage

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

To Secure Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS MORTGAGE, made on this the ____ day of _____, 20____ by and between _____, (the "OWNER") and [name of municipality] (the "Municipality"), in connection with the property described herein (the "PROPERTY");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, the Owner has signed a Recapture Mortgage Note (the "Note") dated _____. The Owner promises to pay to the State amounts due under the Repayment Mortgage Note, and to abide by all obligations contained therein.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the Municipality as security for the payment required to be paid upon the first non-exempt sale of the Property, as provided under the rules of the New Jersey Housing and Mortgage Finance Agency set forth in N.J.A.C. 5:80-26.1 et seq. Upon the first non-exempt sale of the Property after the date of this Note, the Owner, or the heir, successor or assignee of the Owner then selling the Property, shall pay the sum of \$[insert amount determined pursuant to N.J.A.C. 5:80-26.5(c)] to the Municipality. The obligation evidenced by this note shall not accrue interest.

updated June 2007

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey (hereinafter the "Property"), described more specifically as Block No. _____ Lot No. _____, and known by the street address:

Article 4. RIGHTS GIVEN TO MUNICIPALITY

The Owner, by mortgaging the Property to the State, gives the Municipality those rights stated in this Mortgage, and all the rights the law gives to the Municipality under Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*). The rights given to the Municipality are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Owner and all subsequent purchasers and owners of the Property, and the heirs and assigns of all of them. Upon performance of the promises contained in Note and Mortgage, the Municipality will prepare and deliver to the then current owner of record a quitclaim deed or other document of release.

Article 5. DEFAULT

The Municipality may declare the Owner in default on this Mortgage and on the Note if:

1. The Owner attempts to convey an interest in the Property without giving prior written notice to the Municipality;
2. The ownership of the Property is changed for any reason other than in the course of an exempt sale;
3. The Owner fails to make any payment required by the Note;
4. The holder of any lien on the Property starts foreclosure proceedings; or
5. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

Article 6. MUNICIPALITY'S RIGHTS UPON DEFAULT

If the Municipality declares that the Note and this Mortgage are in default, the Municipality shall have all of the rights given by law or set forth in this Mortgage.

updated June 2007

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON WRITTEN NOTICE, MADE IN ACCORDANCE WITH THIS ARTICLE 7.

Article 8. NO WAIVER BY MUNICIPALITY

The Municipality may exercise any right under this Mortgage or under any law, even if the Municipality has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The Municipality does not waive its right to declare the Owner is in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

The Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The Municipality may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individual.

Article 10. SUBORDINATION

This Mortgage will not be subordinate, and will not be subordinated by the Municipality, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price that would be applicable were the Control Period still in effect.

Article 11. SUBSEQUENT OWNERS

This Mortgage shall not be released, with respect to any subsequent owner who acquires the property through an exempt transfer unless the transferee shall execute a note and mortgage in the form of the Note and this Mortgage, and the same has been duly recorded.

Article 12. AMENDMENTS

No amendment or change to the Note and this Mortgage may be made, except in a written document signed by both parties and approved by the administrative agent appointed pursuant to N.J.A.C. 5:80-26.1 et seq..

Article 13. SIGNATURES

updated June 2007

By executing this Mortgage on page 3, hereof, the Owner agrees to all of its terms and conditions.

Article 14. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST: _____

Signature of (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20__ the subscriber _____ appeared personally before me (*If more than one person signed the foregoing mortgage and appeared before me, the words "the subscriber" and "the Owner" shall include all such persons*) and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

NOTARY PUBLIC

APPENDIX W

FORM OF RECAPTURE MORTGAGE NOTE FOR UHORP AND MONI UNITS,
REQUIRED BY SECTION 5:80-26.5(c)

State of New Jersey
Department of Community Affairs
Housing and Mortgage Finance Agency

Recapture Mortgage Note

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

In Connection With Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS NOTE is dated as of _____. For value received _____ (referred to "Owner") promises to pay to The New Jersey Housing and Mortgage Finance Agency, which has its principal offices at 637 South Clinton Avenue, Trenton, NJ 08650-2085 (the "Agency"), the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Owner is giving the Agency a "Repayment Mortgage To Secure Payment of Amounts Due Upon First Non-Exempt Sale After Expiration of Control Period" (the "MORTGAGE"), dated _____, of the property described below (the "PROPERTY"). The Mortgage covers real estate owned by the Owner. The Mortgage will not be subordinate, and will not be subordinated by the Agency, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price (MRP) that would be applicable were the Control Period still in effect, as those terms are defined in Article 2 of the Mortgage.

updated June 2007

Article 2. OWNERS PROMISE TO PAY AND OTHER TERMS

Upon the first non-exempt sale of the Property after the date of this Note, the Owner, or the heir, successor or assignee of the Owner then selling the Property, shall pay the sum of \$[insert amount determined pursuant to N.J.A.C. 5:80-26.5(c)] to the Agency. The obligation evidenced by this note shall not accrue interest.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey, described more specifically as Block No. ____ Lot No.____, and known by the street address: _____.

Article 4. WAIVER OF FORMAL ACTS

The Owner waives its right to require the Agency to do any of the following before enforcing its rights under this Note:

1. To demand payment of amount due (known as Presentment).
2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
3. To obtain an official certificate of non-payment (known as Protest).

Article 5. RESPONSIBILITY UNDER NOTE

All Owners signing this Note are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Agency may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Mortgage and this Note at no charge.

Dated:

ATTEST:

Signature (Owner)

APPENDIX X

FORM OF MORTGAGE SECURING PAYMENT OF
RECAPTURE NOTE IN FAVOR OF THE AGENCY,
REQUIRED BY SECTION 5:80-26.5(c)

State of New Jersey
Department of Community Affairs
New Jersey Housing and Mortgage Finance Agency

Affordable Housing Program

Repayment Mortgage

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

To Secure Payment of Amounts Due
Upon First Non-Exempt Sale
After Expiration of Control Period

THIS MORTGAGE, made on this the ____ day of _____, 20____ by and between _____, (the "OWNER") and the New Jersey Housing and Mortgage Finance Agency (the "Agency"), in connection with the property described herein (the "PROPERTY");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, the Owner has signed a Recapture Mortgage Note (the "Note") dated _____. The Owner promises to pay to the State amounts due under the Repayment Mortgage Note, and to abide by all obligations contained therein.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the Agency as security for the payment required to be paid upon the first non-exempt sale of the Property, as provided under the rules of the New Jersey Housing and Mortgage Finance Agency set forth in N.J.A.C. 5:80-26.1 et seq. Upon the first non-exempt sale of the Property after the date of this Note, the Owner, or the heir, successor or assignee of the Owner then selling the Property, shall pay the sum of \$[insert amount determined pursuant to

updated June 2007

N.J.A.C. 5:80-26.5(c)] to the Agency. The obligation evidenced by this note shall not accrue interest.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey (hereinafter the "Property"), described more specifically as Block No. _____ Lot No. _____, and known by the street address:

Article 4. RIGHTS GIVEN TO AGENCY

The Owner, by mortgaging the Property to the State, gives the Agency those rights stated in this Mortgage, and all the rights the law gives to the Agency under Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq.*). The rights given to the Agency are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Owner and all subsequent purchasers and owners of the Property, and the heirs and assigns of all of them. Upon performance of the promises contained in Note and Mortgage, the Agency will prepare and deliver to the then current owner of record a quitclaim deed or other document of release.

Article 5. DEFAULT

The Agency may declare the Owner in default on this Mortgage and on the Note if:

1. The Owner attempts to convey an interest in the Property without giving prior written notice to the Agency;
2. The ownership of the Property is changed for any reason other than in the course of an exempt sale;
3. The Owner fails to make any payment required by the Note;
4. The holder of any lien on the Property starts foreclosure proceedings; or
5. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

Article 6. AGENCY'S RIGHTS UPON DEFAULT

updated June 2007

If the Agency declares that the Note and this Mortgage are in default, the Agency shall have all of the rights given by law or set forth in this Mortgage.

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON WRITTEN NOTICE, MADE IN ACCORDANCE WITH THIS ARTICLE 7.

Article 8. NO WAIVER BY AGENCY

The Agency may exercise any right under this Mortgage or under any law, even if the Agency has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The Agency does not waive its right to declare the Owner is in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

The Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The Agency may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individual.

Article 10. SUBORDINATION

This Mortgage will not be subordinate, and will not be subordinated by the Agency, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price that would be applicable were the Control Period still in effect.

Article 11. SUBSEQUENT OWNERS

This Mortgage shall not be released, with respect to any subsequent owner who acquires the property through an exempt transfer unless the transferee shall execute a note and mortgage in the form of the Note and this Mortgage, and the same has been duly recorded.

Article 12. AMENDMENTS

updated June 2007

No amendment or change to the Note and this Mortgage may be made, except in a written document signed by both parties and approved by the administrative agent appointed pursuant to N.J.A.C. 5:80-26.1 et seq..

Article 13. SIGNATURES

By executing this Mortgage on page 3, hereof, the Owner agrees to all of its terms and conditions.

Article 14. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST:

Signature of (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20__ the subscriber _____ appeared personally before me (*If more than one person signed the foregoing mortgage and appeared before me, the words "the subscriber" and "the Owner" shall include all such persons*) and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in

updated June 2007

the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

NOTARY PUBLIC