

United States Senate

WASHINGTON, DC 20510

March 31, 2011

The Honorable Tony Marchetta
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650

Dear Mr. Marchetta:

We write to request that the New Jersey Housing and Mortgage Finance Agency (NJHMFA) consider implementing the New Jersey HomeKeeper Program as soon as possible. This program uses funding from the federal Hardest Hit Fund to help New Jersey homeowners who have lost their jobs and are in danger of losing their homes.

As you know, many New Jersey households continue to struggle as a result of the downturn in our nation's housing market. According to RealtyTrac,¹ one in every 636 households in the Garden State received a new foreclosure filing in January 2011, and over 5,500 foreclosure sales were completed in that month alone.

To address this continuing crisis, the federal government created the Hardest Hit Fund to work with state governments to provide targeted aid to families in states with unemployment rates at or above the national average or with home price declines of greater than 20 percent. While New Jersey was not among the initial group selected, we fought hard for New Jersey families – many of whom have seen the values of their homes drop significantly through no fault of their own – to be eligible under an expanded program. We were pleased to see New Jersey awarded more than \$112 million in August 2010 and an additional \$188 million in October 2010 for a total of \$300 million in aid.

After these federal funds were awarded to New Jersey, the NJHMFA announced that these funds would be administered under the New Jersey HomeKeeper Program. The NJHMFA later communicated that the program would be fully up and running by January 2011. However, in March 2011, the NJHMFA announced only a small pilot program and the intent to have the HomeKeeper Program fully operational in May 2011.

Since the announcement that New Jersey would receive a share of the Hardest Hit Fund, we have heard from countless constituents who could benefit from this program and cannot afford to wait several more months. The Hardest Hit Fund was intended as emergency aid for struggling homeowners. The current delayed implementation schedule does not adequately respond to the urgent need for homeowner assistance.

We fully realize that many dedicated public servants have been working hard for months to launch this program, but we are disappointed with the progress to date. We would like to see the program fully implemented and serving our constituents as soon as possible. Other states have

¹ <http://www.realtytrac.com/trendcenter/default.aspx?address=NJ>

already set up their programs to distribute Hardest Hit Funds, and we would like to see New Jersey join them.

Every day this program is not available, more New Jersey families needlessly lose their homes. Therefore, we strongly urge the NJHMFA to consider implementing the full program immediately. Please provide us with an updated timeline that describes when the program will be fully operational.

We appreciate your attention to this matter. We look forward not only to your response, but to continuing our work together to assist struggling New Jersey homeowners.

Sincerely,


ROBERT MENENDEZ
United States Senator


FRANK R. LAUTENBERG
United States Senator