

**COMMUNITY AFFAIRS**

**DIVISION OF COMMUNITY RESOURCES**

**Lead Hazard Control Assistance Fund**

**Proposed Amendments: N.J.A.C. 5:48-1.2 and 2.3**

Authorized By: Susan Bass Levin, Commissioner, Department of Community Affairs

Authority: N.J.S.A. 52:27D-437.6.

Proposal Number: PRN 2007-63

Calendar: See Summary below for explanation of exception to calendar requirement.

Submit written comments by: May 4, 2007 to:

Michael L. Ticktin, Esq.

Chief, Legislative Analysis

Department of Community Affairs

PO Box 802

Trenton, NJ 08625-0802

Fax Number: (609) 633-6729

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**Susan Bass Levin**  
**Commissioner**

The agency proposal follows:

**Summary**

The proposed amendments would make moderate income households, defined as those with incomes between 50% and 80% of median, eligible, along with low income households, for conversion of lead hazard abatement loans to grants.

As the Department has provided a 60-day comment period on this notice of

proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

### **Social impact**

The proposed amendments would increase the number of households eligible for a loan with forgiveness from the estimated 235,000 owner-occupied, low-income households to an estimated total of 440,000 owner-occupied low-income and moderate income households in 1-4 family dwellings constructed prior to 1978. The anticipated result would be a significant increase in the number of applications from moderate income households.

### **Economic Impact**

The Department anticipates that there would be an additional 50-100 applications received due to the change in the income eligibility for the forgivable loans. The source of the financial assistance is the Lead Hazard Control Assistance Fund.

### **Federal Standards Statement**

No Federal standards analysis is required because the amendments are not being proposed in order to implement, comply with, or participate in any program established under Federal law or under a State law that incorporates or refers to Federal law, standards, or requirements.

### **Jobs Impact**

The Department does not anticipate that any job would be created or lost as a result of adoption of the proposed amendments.

### **Agriculture Industry Impact**

The Department does not anticipate that the proposed amendments would have any impact on the agricultural industry.

### **Regulatory Flexibility Analysis**

The Department expects that this proposed amendments would not impose any recordkeeping, reporting or compliance requirements on “small businesses,” as defined by the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 *et seq.* and would not require any “small businesses” to secure the services of professionals. The only persons affected by the rule would be moderate income households.

### **Smart Growth Impact**

The Department does not expect that the proposed amendments would have any impact upon either the achievement of "smart growth" or the implementation of the State Development and Redevelopment Plan.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

#### **5:48-1.2 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

.....

**“Moderate-income household” means a household whose gross annual income is equal to 80 percent or less, but more than 50 percent, of the median gross income established by geographic region and household size using income figures**

**and family size adjustment methodology published periodically in the Federal Register by the US Department of Housing and Urban Development and approved for use by the Council on Affordable Housing.**

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**5:45-2.3 Forms of financial assistance**

(a) (No change.)

(b) Financial assistance in the form of deferred payment loans with provision for forgiveness is available on the basis of property type, occupancy and income. The LHCA fund shall consider owner-occupants of a one-to-four family dwelling for a deferred payment loan with forgiveness provided they qualify as a low-income **or moderate income** household. The Administrator of the LHCA Fund shall determine on an annual basis the rate of interest that loans shall bear. The initial interest rate shall be three percent. The term of the loan shall be established according to the principal loan amount. For every \$10,000 increment or portion thereof, the loan term shall be five years, up to a maximum loan term of 20 years. Therefore a property owner wishing to borrow [from \$1.00 to] \$10,000 **or less** shall have a five-year loan term; from \$10,001 to \$20,000 shall have a 10-year loan term; from \$20,001 to \$30,000 shall have a 15-year loan term; and [from] \$30,001 [and higher] **or more** shall have a 20-year loan term.

(c) (No change.)