

# ASSEMBLY DEMOCRATS NEWS RELEASE



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## **ASSEMBLY DEMOCRATS TAKE MORE STEPS TO HELP N.J. EMERGE STRONG FROM ECONOMIC MELTDOWN**

(TRENTON) – The Assembly today continued its focus on the global economic recession by approving more bills to help New Jersey emerge strong from the worldwide financial meltdown.

Bills passed today would:

- Allow local governments to defer some of this fiscal year's pension payments to avoid either large property tax increases or cuts in essential services.
- Impose new requirements on foreclosure consultants and reform lending activities.
- Promote energy efficiency through the installation of solar energy panels in new homes.
- Create a temporary tax amnesty program to enable individuals who owe the state back taxes to pay without civil or criminal penalties.

In all, the Assembly since September has considered several dozen bills to help residents and businesses combat the global economic crisis.

Assemblyman Joseph Cryan said the legislation (S-21/A-3868) to allow local governments to defer some of this fiscal year's pension payments will help communities to avoid either large property tax increases or cuts in services. The bill was approved 42-36 by the Assembly. It passed the Senate 21-17 today.

“Absent this fiscal blow-off valve, many schools, towns and cities will be backed into choosing between either disastrous property tax hikes or draconian cuts in essential services,” said Cryan (D-Union), who is sponsoring the bill with Assembly Speaker Joseph J. Roberts Jr. (D-Camden). “Without this short-term relief, residents surely will lose.”

The "Foreclosure Rescue Fraud Prevention Act" (A-281) requires foreclosure consultants and distressed property purchasers who contract with homeowners to adhere to new foreclosure prevention practices.

The bill is sponsored by Assemblymen Gary S. Schaer (D-Passaic) and John J. Burzichelli (D-Gloucester) and Assembly Majority Leader Bonnie Watson Coleman (D-Mercer).

“Homeowners facing foreclosure should not face a second indignity by seeing money they believe will help them stay in their houses end up down the drain,” Schaer said.

The bill was approved 79-0 and goes to the Senate for more consideration.

A bill (A-3816) sponsored by Assemblymen Wayne P. DeAngelo (D-Mercer/Middlesex), Schaer, John S. Wisniewski (D-Middlesex) and John F. McKeon (D-Essex) would reform lending activities regulated under the “New Jersey Licensed Lenders Act” covering mortgage loans and consumer loans of \$50,000 or less. It was approved 79-0 and heads to the Senate for consideration.

“The ongoing mortgage foreclosure crisis has showed our oversight laws desperately need reform,” DeAngelo said. “The current system isn’t working and change is needed. This bill will strengthen our ability to ensure mortgage lenders are accountable and help keep people in their homes.”

The reforms are largely focused on mortgage activities and bring new state licensing standards, business practices and oversight for individuals acting as mortgage loan originators.

“Licensing standards, businesses practices and oversight for mortgage lenders should be consistent and airtight,” Schaer said. “We’ve learned in the last few of months that hasn’t always been the case. This will change those practices and protect the dream of homeownership for many families.”

The bill would completely revise and supplement the lenders act, creating two separate regulatory schemes, with one part dedicated to mortgage activities and the other reorganizing remaining provisions concerning non-mortgage lending activities.

“This is a sensible approach that will bring separate and reformed regulations for mortgage activities and other lending practices,” Wisniewski said. “These are two different kinds of transactions and should operate under different regulations to provide the best protections for homeowners and consumers alike.”

“We’ll be boosting protections for homeowners, but also lenders who have operated honestly and straightforwardly,” McKeon said. “These new regulations are designed to ensure those who haven’t used the best business practices shape up.”

Legislation Assemblywomen Linda R. Greenstein (D-Middlesex/Mercer), Watson Coleman and Pamela R. Lampitt (D-Camden) sponsored to promote energy efficiency through the installation of solar energy panels in new homes was approved 72-5-2. It was to receive final Senate consideration later today.

“We can vastly improve the quality of life for all New Jersey families by encouraging investment in solar energy systems in all new houses,” Greenstein said. “Sound public policy and environmentally responsible practices can come together to provide dividends for generations.”

“We must reduce our reliance on fossil fuels by making use of renewable energy resources that can save consumers money and ensure our precious natural resources,” Watson Coleman said. “By using solar energy for heat and electricity, we can significantly reduce the emission of dangerous greenhouse gases.”

“Promoting solar energy can not only save homeowners money in utility bills and protect the environment, but also will create ‘green jobs’ in the construction industry,” Lampitt said. “In addition to meeting our future energy needs, alternative energy can be a real economic drive.”

Legislation (A-3819) Assembly Budget Chairman Louis D. Greenwald sponsored to create a 45-day tax amnesty to pay any back taxes plus interest owed and collection costs was approved 61-14-3. It would cover back taxes owed between Jan. 1, 2002 and Jan. 31, 2009. Filers who meet the deadline would be free from additional recovery fees or prosecution.

“Right now New Jersey needs every available penny to help offset the havoc the deepening international economic crisis is wreaking on New Jersey’s budget and economy,” said Greenwald (D-Camden). “This can provide the state with much-needed funds to help ensure the continued operation of essential programs.”

The amnesty program is anticipated to yield approximately \$100 million to help close the gap in the current fiscal year’s budget. Amnesty programs in 2002 and 1996 brought in \$277 million and \$244 million, respectively; the 2002 amnesty exceeded expectations by more than \$150 million.

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