



Testimony in Support of A4226, the ‘People’s Bill’

Good afternoon Chairman Wimberly, Vice Chairman Spearman, and members of the Assembly Housing Committee. My name is Staci Berger, and I am the president and CEO of the Housing and Community Development Network of New Jersey. The Network is the statewide association of over 250 non-profit housing and community development corporations, individuals, professional organizations, and prominent New Jersey corporations that support the creation of housing choices and economic opportunities for low- and moderate-income community residents. I am joined by Sharon Barker, our chief operating officer and vice president; Matthew Hersh, our director of policy and advocacy and many of our members and staff who have been working tirelessly on this bill.

We proudly support A4226, which has been dubbed “the People’s Bill” both because of the way the bill was crafted and what it does. It is an extremely important piece of legislation that can help prevent the COVID crisis from creating an eviction tsunami that will harm the lowest income and most vulnerable residents. You can prevent this coming disaster by passing this bill today.

The bill establishes fair repayment options for tenants and landlords. Like your offices, non-profit organizations and leaders have been inundated with questions from constituents about housing assistance and unemployment claims. The state has received more than 1 million UI claims, which means that household incomes are in flux, in decline, or in doubt. New Jersey is already one of the most expensive places in the nation to rent a modest two bedroom apartment. Before COVID, a minimum wage worker had to work three full time jobs to be able to afford that apartment.

These factors are coming together to create tremendous housing instability that threatens the health and well-being of our residents. People cannot stay home safely now, or in the future, if they do not have a safe, affordable place to call home. The pandemic has affirmed what community leaders and health experts have been saying: housing is health.

It also makes mortgage forbearance mandatory and universal. This is what responsible lenders should have been doing since the Great Recession. When homeowners lock into that lifelong investment, any lender should provide flexibility when the unexpected happens. Homeowners must have the option to forgo payments and add them to the backend of their mortgage, or work out a plan with their lender that meets the financial needs of the household. This approach is humane, makes economic sense, and preserves the integrity of our neighborhoods.

Third, A4226 protects consumers. No renter or homeowner should incur additional fees or suffer negative marks on their credit scores because they were responsible and worked out a payment

plan with their landlord or lender. We cannot continue to allow residents to be financially disadvantaged for participating in programs to stay in their homes.

Homeownership is the biggest creator of generational wealth. In New Jersey and across the country, there are major disparities between rates of homeownership by race. Nearly 80% of New Jersey's white population owns their home, which is twice as likely as Black and Latino residents, (80 percent versus 45 percent, Eagleton Institute, 2018.). Helping to protect generational wealth by providing tools for homeowners of color, and protecting renters, who are much more likely to be Black and Latino, to protect against evictions and prevent negative credit scores, is an urgent matter of racial justice.

This bill was truly a collaborative process among legislators, and I especially want to thank Assemblywoman Timberlake for her leadership and tenacity to move these issues to the forefront, as well as my colleagues in the advocacy community.

With your support, we can truly say that we have done our part in keeping a public health crisis from turning into a housing disaster. If I or any member of the Network staff can be of assistance, please do not hesitate to contact me at sberger@hcdnnj.org or 732-406-7604. Thank you for helping to make sure NJ is a place everyone can safely afford to call home.