State of New Jersey
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
25 MARKET STREET
PO Box 112
TRENTON, NJ 08625-0112

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

GURBIR S. GREWAL
Attorney General

MICHELLE L. MILLER
Director

June 18, 2019

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08611

Re: United States Department of Housing and Urban Development
Mortgagee Letter 19-06
Downpayment Assistance Program

Dear Members of the Agency:

We are counsel to the New Jersey Housing and Mortgage Finance Agency (the "Agency"), a State of New Jersey governmental entity created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq., as amended (the "Act"), in connection with the Agency's Home Seeker Down Payment Assistance Program and its Smart Start Program (collectively, the "Downpayment Assistance Program") offered by the Agency to borrowers applying for and receiving mortgage loans to purchase a single family home.

Our opinion has been requested as to certain matters in connection with HUD's Mortgagee Letter 19-06, which clarifies certain document requirements as set forth in HUD's Handbook 4000.1 Single Family Housing Policy Handbook (last revised on March 27, 2019) (the "Handbook"). Compliance with the requirements of the Handbook is necessary to make mortgage loans eligible for Federal Housing Administration ("FHA") mortgage insurance on loans made directly by the Agency to single family home purchasers or loans purchased by the Agency from FHA-approved lenders. Pursuant to HUD's Mortgagee Letter 19-07, the effective date of Mortgagee Letter 19-06 is July 23, 2019.

Except to the extent expressly set forth in this opinion, we have not undertaken any independent investigation to determine the existence or absence of any facts material to our opinion, and no inference as to our knowledge of the existence or absence of those facts should be drawn from our representation of the Agency.

The opinions expressed herein are also subject to the following assumptions, qualifications, limitations and exceptions:

A. We express no opinion as to the laws of any jurisdiction other than the laws of the State of New Jersey and the laws of the United States of America, as referred to below, as of the date hereof.

B. Our opinion is limited to the date hereof and we assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof.

C. The opinions expressed in this letter are solely for the use of the Agency in connection with demonstrating compliance with HUD's Mortgagee Letter 19-06 and certain documentation requirements of the Handbook, and these opinions may not be relied upon by another person without our prior written approval. The opinions expressed herein are limited to the matters set forth in this opinion and no other opinions should be inferred beyond the matters expressly stated herein.

Based upon and subject to the foregoing, we are of the opinion that:

(1) The Agency's Downpayment Assistance Program has been reviewed by this office.

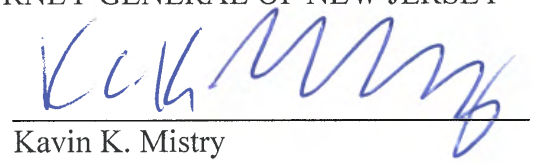
(2) The Agency is a "Governmental Entity" as such term is defined Section I.B.4(a)(iii)(A) of the Handbook.

(3) The Agency is considered within the jurisdiction in which the Property (as such term is defined in the Handbook Glossary and Acronyms) is located to be a state (as defined in 12 U.S.C. §1707(d)) government agency, and 24 CFR 203.32(b) and as further clarified in the Handbook.

This opinion is given as of the date of delivery hereof and no opinion is expressed as to any matter not explicitly set forth herein. This opinion may not be relied upon by any person other than the addressee hereof.

Sincerely yours,

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY

By: 

Kavin K. Mistry
Deputy Director &
Assistant Attorney General