

IMPROVED

ABOUT THE SUPPLEMENTAL FUND TO GET FAMILIES ACROSS THE FINISH LINE

What's the Supplemental Fund & Will it Help Me?

- The supplemental fund was created by Governor Murphy to help families in the RREM & LMI program who are still struggling to cross the finish line because of a lack of funds.
- You have to currently be in RREM & LMI to access the supplemental fund.
- We agree lots of other people didn't get into RREM or the LMI and need funding to help repair or get ready for flooding and future storms. Want to help fight for that? Join the Shorekeeper team.

Should I try and get additional funds to help me get home?

If you're out of funding and this is the only way you'll make it home, we'd strongly encourage you to consider. In the end though, it is up to you and your family. Here are a few things to keep in mind.

- Families receiving the Supplemental Fund will need to show that with the supplemental funding, they will have enough funding to finish their projects.
- You'll also need to have already received the maximum award of \$150,000 and show an unmet need.
- You'll need to not be finished and home already. (But what if you have a C.O. but you still need work done? Good question.)
- You'll need a contract, or in some cases conditional approval will happen when folks don't have a contract, but they will be able to get one once they have their supplemental fund amount. BUT, then you need to have a contract within 90 days of your conditional approval.

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- You'll need to be okay with the 5-year period that comes with the grant. The fund is essentially a 0% interest 5-year term forgivable loan. You'll need to stay in your house for 5 years after program closeout, and the entire amount of the supplemental funds will be forgiven. If you end up needing to leave and sell your home before 5 years after closeout, 20% of the amount you received in the supplemental fund will be forgiven for each year of five that you do remain in your house. A mortgage lien will be placed on the home in addition to the Declaration of Covenants and Restrictions that is already on your home because you're in RREM & LMI. IT NEEDS TO REMAIN YOUR PRIMARY RESIDENCE. AND YOU CANNOT RENT IT.
- You'll need to have a CO or RREM approved equivalent (not sure what that is TBH, but sounds convincing) no later than January 2021 (Lord help us, we hope folks are home by then).

What if I don't currently have a max award of \$150,000 or things have changed significantly?

- So. DCA is doing special inspections that *should* help out with this. They're calling them "Baseline Site Inspections" and the purpose is to determine work that needs to be done AND to update to 2019 pricing. We'd hope that this will be a good thing for most people and could help with that. But, in reality, some folks could have their grant award go up, some go down. We're told the DCA will soon share the results of the Baseline Site Inspection to determine the potential for supplemental funds.

What might be some risks, or reasons to be cautious?

- One reason is Duplication of Benefits, like SBA loans or ICC funding. For example, if you got additional funding back when you reopened your NFIP Claim, RREM didn't consider that funding in their calculation. When you apply for the supplemental fund, they will have to take this into consideration.

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- If you're applying for additional RREM money, you'll have to show how you used funds that were not RREM funds to a degree that you haven't had to in the past. For example, if you had \$30,000 for Flood Insurance, and got \$80,000 from RREM and RREM believed you needed \$110,000 to complete your project, you will have to show NOT JUST how you spent your RREM money, but also how your spent your Flood Insurance money, and if that money hasn't been spent on work, that it is available.
- None of this means that you can't or shouldn't go for supplemental funding if you had SBA, Flood, or ICC funds, these are just considerations.

Yay! I'm in! This will help me get across the finish line. When can I get my hands on this funding?

- First, you'll have to apply. Right now we believe applications could be out by the end of June. Once the application period starts you'll have SIXTY DAYS to complete it. This is SUPER IMPORTANT. Applications will be online, but if you can't do them online, you can go to a DCA/RREM office and do a paper application.
- We hope that funds will actually be out the door by the end of summer or early fall.

ONE MORE THING: The Payment Process is SUPER DIFFERENT – whether or not you get the Supplemental Fund:

- Previously you could only have two construction draws. You could get them for reimbursement, advance, retainage and sometimes design BUT only two construction draws.
- NOW payment will be based on your payment schedule agreed on with your contractor. This means you can have multiple construction draws BUT moving forward this will be based on an inspection of the work that is completed, not an invoice.
- IF THIS IS CONFUSING – call your project manager, constituent services or your housing advisor (aka anybody you have a phone number for) and check in with them about it.

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