NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

State Tax Credit Subsidy (STCS) Program Auction Guidelines

Adopted: October 2, 2025

Amended: June 11, 2026

Program Overview: Pursuant to P.L.2025, c.111, New Jersey Housing and Mortgage Finance Agency (NJHMFA or "the Agency") will sell up to $500,000,000 in tax credits over the course of no more than six years through competitive auctions, beginning in 2025. No more than $100,000,000 in tax credits will be sold annually, and tax credits will be sold for no less than 80 percent of the face value of the tax credit amount. The funds from the auction, minus five percent of the proceeds to reimburse NJHMFA for administrative and operational costs, will be deposited into the State Tax Credit Subsidy (STCS) Program Fund. The distribution and administration of these funds, once deposited, are covered by the STCS Program Fund guidelines. If less than the maximum allowable tax credits are sold in the first auction of a given year, NJHMFA may, at its discretion, conduct subsequent auctions in that year, provided it does not exceed the $100,000,000 annual tax credit sale maximum.

Bid Submission Process: NJHMFA will post a link to the auction portal on its internet website. Bidders will submit their tax credits bids within the auction portal. At the start of the 45-day auction window, the portal will begin accepting bids. All bids must be completed through the online auction portal; NJHMFA will not review bids submitted via mail or email. Within that 45-day period, bidders must complete the bid, wire transfer the bid deposit (equal to 10% of the total bid amount), wire transfer the $500 bid fee, and submit all completed bid materials through the secure online auction portal prior to the auction window closing.

The Agency will only consider a bid if the face value of the bid totals at least $250,000 and if the price per credit is not less than $0.80. The Agency reserves the right to set a minimum bid threshold above $0.80 per-credit.

Bid Review and Ranking Process: Bidders will be disqualified if they submit a bid priced at less than $0.80 per credit, are disbarred from conducting business in New Jersey, participate in prohibited activities in Russia, Belarus, or Iran, fail to produce a valid tax clearance certificate by the end of the auction window, fail to submit the mandatory deposit or bid fee by the close of the auction window, or fail to fully complete any of the required bid materials.

NJHMFA will rank bidders as follows: the primary ranking factor bidders is the bid price per credit, sorted highest to lowest price-per-credit. The second ranking factor is the total bid amount, sorted from highest to lowest total bid amount. Finally, the third ranking factor is the submission date and time, sorted by earliest to latest submission date and time.

The Agency will rank eligible bidders. The Agency's tax credit committee will vote to approve the ranking and finalize the list of eligible bidders. The Agency will recommend bidders to the NJ Division of Taxation ("Taxation") in order of the approved ranking, from the highest ranked bidder to the lowest ranked bidder. The Agency will recommend individual bidders to Taxation until the total available tax credits for that year have been accounted for. If the Agency finds when working down the ranked list that the next-ranked bidder seeks more tax credits than are available in the applicable calendar year, the Agency may offer that bidder a partial award equal to the remaining available tax credits for that year.

NJHMFA will send each eligible bidder's information to Taxation for review. If Taxation finds that a bidder is ineligible for the tax credit certificate and if additional tax credits remain for the relevant tax year, the Agency may continue down the ranked list of bidders who did not make the original ranked list sent to Taxation. The Agency may repeat this process until either, the list of eligible bidders is exhausted or the total available State tax credits have been obligated for the calendar year.

Award Process: Once Taxation approves a bidder and transmits a tax credit certificate to the Agency, NJHMFA will notify the successful bidder and will transmit a conditional award letter and tax credit purchase agreement via email to the bidder. The bidder must sign and submit the tax credit purchase agreement and wire the full tax credit purchase payment within 10 business days of NJHMFA transmitting the conditional award letter. Upon receiving the signed tax credit purchase agreement and the wire transfer for the full purchase amount, NJHMFA will transmit the award notification letter and the tax credit certificate to the bidder. NJHMFA will not transmit the award letter or tax credit certificate until the bidder submits full payment and a signed purchase agreement. Successful bidders who fail to transfer the full purchase amount within 10 business days of notification may be barred from future auctions.

Reporting & Public Transparency: Following the close of the auction and the allocation of tax credit awards, NJHMFA may release a public summary. This summary may include the names of winning bidders, the total dollar value of tax credits awarded to each bidder, and the percentage of face value paid by awardees.

Tax Credit Transfer: If a tax credit awardee seeks to transfer the purchased tax credit certificate to another entity, the awardee will complete a tax credit transfer form prescribed by Taxation and submit it to Taxation for review by both Taxation and NJHMFA. If approved, the awardee and buyer will be notified and the information will be posted on the NJHMFA website, as required by P.L.2025, c.111.

1. Eligible Bidders	Bidders must be a New Jersey Corporate Business Tax (CBT) or Insurance Premiums Tax (IPT) filer. Bidders must submit a valid tax clearance certificate from Taxation. A valid tax clearance certificate must also be submitted for any parent company, affiliate, subsidiary or other related entity that will directly benefit from this tax credit. Bidders must complete the certification of noninvolvement in prohibited activities in Russia, Belarus, or Iran. Bidders must initiate via wire transfer a refundable deposit equal to 10% of the tax credit purchase value. Bidders must pay via wire transfer a non-refundable $500 bid fee with their bid. If a bidder or any related entities are debarred, suspended, or disqualified by the State of New Jersey pursuant to Executive Orders #34 (1976) and #189 (1988), the bidder does not qualify to bid for State tax credits. If a bidder or any related entities have been debarred, proposed for debarment, excluded, or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving federal contracts, certain subcontracts, and certain federal assistance and benefits, the bidder does not qualify to bid for State tax credits.
2. Maximum Award	NJHMFA is limited, by P.L.2025, c.111, from selling more than $100,000,000 in tax credits per calendar year, with the first year authorization concluding on December 31, 2025. Any single bidder is limited only by this annual maximum.
3. Minimum Award	The minimum bid that will be considered is $250,000 in tax credit authorization. According to P.L.2025, c.111, bids below $0.80 per tax credit are not permitted.

4. Bid Evaluation	Bids that meet all eligibility and competition standards shall be ranked according to the following, in the order listed below: 1. Per credit bid amount 2. Total bid amount 3. Date of bid submission with the earliest submission receiving priority.
5. Disqualifying Events	The following will result in bidder disqualification: 1. Failing to pay the $500 bid fee or 10% deposit prior to the close of the auction window; 2. Submitting a bid for less than $250,000 of tax credits or less than $0.80 per tax credit; 3. Conducting business with any countries or persons designated by the Office of Foreign Assets and Controls, Designated Nationals and Blocked Persons list, and all other sanctions lists administered by OFAC; 4. Being debarred or being in default with any other program administered by the State of New Jersey; 5. Failing to submit completed required documentation via the portal; 6. Failing to fulfill the total submitted bid amount; and 7. Failing to respond to Agency communication within stated timeframes.

Note: These guidelines, including the attachment, may be amended from time to time. Please refer to NJHMFA's website for the current version of these guidelines.