

RESOLUTION NO. 16 - 24

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
APPROVING THE TRUST'S AMENDED AND RESTATED CREDIT POLICY**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust"), pursuant to and in accordance with the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may from time to time be, amended and supplemented (the "Act"), is authorized to make and contract to make loans to project sponsors to finance a portion of the costs of the respective environmental infrastructure system projects thereof, which project sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, prior to State Fiscal Year 2013, applicants for financing through the New Jersey Environmental Infrastructure Financing Program (the "NJEIFP") were required to comply with the creditworthiness standards set forth in a letter, dated October 29, 2001, from the State Treasurer to the Executive Director of the Trust;

WHEREAS, in recognition of possible enhanced credit risks posed by certain NJEIFP applicants, the staff of the Trust, commencing in November of 2011, undertook a comprehensive review of the credit risk as it related to all NJEIFP borrower classes;

WHEREAS, as a result of such comprehensive review, the Trust developed a new policy (the "2013 Creditworthiness Policy") intended (i) to ensure consistency and appropriate management of all credit risk on the part of the Trust with respect to all NJEIFP borrower classes on a programmatic basis, and (ii) to provide improved and consistent transparency to all NJEIFP applicants with respect to the creditworthiness standards of the NJEIFP;

WHEREAS, the Board of Directors of the Trust (the "Board"), passed Resolution No. 13-02 on January 10, 2013, wherein it adopted that certain "Resolution Approving a Credit Policy," pursuant to which the January 2013 Creditworthiness Policy was approved and implemented; and

WHEREAS, thereafter, the Board periodically adopted resolutions approving the Trust's amended and restated credit policy, the most recent of which was Resolution No. 15-05 approved on January 15, 2015 (hereafter "Amended Creditworthiness Policy"); and

WHEREAS, each project financed through the New Jersey Environmental Infrastructure Financing Program (NJEIFP) typically consists of a Trust loan and State (Fund) loan; and

WHEREAS, prior to the Trust's adoption of the January 2013 Creditworthiness Policy, a

single set of credit worthiness standards were applied to both Trust loans and Fund loans; and

WHEREAS, it is the desire of the Board to amend and restate the Amended Credit Worthiness Policy in the form attached hereto as Exhibit A and made a part hereof to (1) provide for the inclusion of repayment obligations related to multi-year Interim Loans based upon the estimated repayment schedule upon conversion to a Long Term Loan; (2) Define and clarify the terms used for the metrics in determining the eligibility of *de-minimus* loan recipients; and (3) Establish credit metrics for evaluating the eligibility of Home Owners Associations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust, that the Board hereby authorizes and approves (i) the adoption by the Trust of the Amended Creditworthiness Policy, in the form attached hereto as Exhibit A and made a part hereof, with such immaterial modifications thereto as the Executive Director of the Trust shall approve, following consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust, and (ii) the implementation by the Trust of such Amended Credit Policy pursuant to the terms thereof. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date: June 9, 2016

Motion Made By: Roger Ellis

Motion Seconded By: Mark Longo

Ayes: 6

Nays: 0

Abstentions: 0

EXHIBIT A

AMENDED CREDITWORTHINESS POLICY