

RULE ADOPTIONS

BANKING

(a)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Reserves and Reserve Depositories

Readoption: N.J.A.C. 3:8

Authority: N.J.S.A. 17:9A-49 and 187.

Authorized By: Marlene Caride, Commissioner, Department of Banking and Insurance.

Effective Date: November 22, 2021.

New Expiration Date: November 22, 2028.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:8 were scheduled to expire on October 16, 2020. Pursuant to Executive Order Nos. 127 (2020) and 244 (2021) and P.L. 2021, c. 103, any chapter of the New Jersey Administrative Code that would otherwise have expired during the Public Health Emergency originally declared in Executive Order No. 103 (2020) is extended through January 1, 2022. Therefore, this chapter has not yet expired and the 30-day filing date pursuant to N.J.S.A. 52:14B-5.1.c has not yet occurred, therefore, pursuant to Executive Order No. 244 (2021), and P.L. 2021, c. 103, this notice of readoption is timely filed.

The rules govern the approval by the Department of Banking and Insurance (Department) of reserve depositories for banks and savings banks. The Department has reviewed these rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.

(b)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Mortgages

Readoption: N.J.A.C. 3:10

Authority: N.J.S.A. 17:1-8, 8.1, and 15; and 17:9A-64.1, 17:12B-48(21), and 46:10B-49.

Authorized By: Marlene Caride, Commissioner, Department of Banking and Insurance.

Effective Date: November 23, 2021.

New Expiration Date: November 23, 2028.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:10 were scheduled to expire on April 9, 2021. Pursuant to Executive Order Nos. 127 (2020) and 244 (2021) and P.L. 2021, c. 103, any chapter of the New Jersey Administrative Code that would otherwise have expired during the Public Health Emergency originally declared in Executive Order No. 103 (2020) is extended through January 1, 2022. Therefore, this chapter has not yet expired and the 30-day filing date pursuant to N.J.S.A. 52:14B-5.1.c has not yet occurred, therefore, pursuant to Executive Order No. 244 (2021), and P.L. 2021, c. 103, this notice of readoption is timely filed.

The rules govern a variety of provisions relating to mortgage loans. Subchapters one through four, six, and seven are reserved. There are three operative subchapters. N.J.A.C. 3:10-5 caps the charge at \$5.00 for substitution of an insurance policy. N.J.A.C. 3:10-8 permits a bank or savings bank to originate or acquire a mortgage loan up to 100 percent of

appraised value in certain specified circumstances. N.J.A.C. 3:10-9 implements N.J.S.A. 46:10B-49, and requires reporting by creditors to the Department of Banking and Insurance (Department) on the number and type or residential mortgage loans being foreclosed upon in New Jersey.

The Department has reviewed these rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), the rules are readopted and shall continue in effect for a seven-year period.

(c)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Pawnbroking Law Regulations

Readoption: N.J.A.C. 3:16

Authority: N.J.S.A. 17:1-15(e) and 45:22-11.

Authorized By: Marlene Caride, Commissioner, Department of Banking and Insurance.

Effective Date: November 23, 2021.

New Expiration Date: November 23, 2028.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:16 were scheduled to expire on September 24, 2020. Pursuant to Executive Order Nos. 127 (2020) and 244 (2021) and P.L. 2021, c. 103, any chapter of the New Jersey Administrative Code that would otherwise have expired during the Public Health Emergency originally declared in Executive Order No. 103 (2020) is extended through January 1, 2022. Therefore, this chapter has not yet expired and the 30-day filing date pursuant to N.J.S.A. 52:14B-5.1.c has not yet occurred, therefore, pursuant to Executive Order No. 244 (2021), and P.L. 2021, c. 103, this notice of readoption is timely filed.

N.J.A.C. 3:16-1 requires the licensing of pawnbrokers in New Jersey and sets forth the requirements for a surety bond and fire and liability insurance. N.J.A.C. 3:16-2 sets forth the rules regarding recordkeeping and the conduct of a pawnbroker business. N.J.A.C. 3:16-3 requires licensees to notify the Commissioner of Banking and Insurance of legal actions involving a licensee's pawnbroker business. Finally, N.J.A.C. 3:16-4 provides the procedures for notice and hearing regarding possible violations of the rules and provides for penalties for violations of the Pawnbroking Law, N.J.S.A. 45:22-1 et seq., and this chapter.

The Department of Banking and Insurance has reviewed these rules and has determined that the rules should be readopted without change. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), the rules are readopted and shall continue in effect for a seven-year period.

(d)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Foreclosure Consultants

Readoption with Technical Changes: N.J.A.C. 3:18

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, and 46:10B-68.

Authorized By: Marlene Caride, Commissioner, Department of Banking and Insurance.

Effective Dates: November 23, 2021, Readoption;

December 20, 2021, Technical Changes.

New Expiration Date: November 23, 2028.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:18 were scheduled to expire on January 6, 2021. Pursuant to Executive Order Nos. 127 (2020) and 244 (2021) and P.L. 2021, c. 103, any chapter of the New Jersey Administrative Code that would otherwise have expired during the Public Health Emergency originally declared in Executive Order No. 103 (2020) is extended through January 1, 2022. Therefore, this chapter has not yet expired and the 30-day filing date pursuant to N.J.S.A. 52:14B-5.1.c has not yet occurred, therefore, pursuant to Executive Order No. 244 (2021), and P.L. 2021, c. 103, this notice of readoption is timely filed.

This chapter includes rules concerning the licensure and operations of foreclosure consultants and contains the following subchapters:

Subchapter 1, General Provisions, including purpose and scope, definitions, and principal location.

Subchapter 2, License Requirements, including application process, term of license, and license renewal process.

Subchapter 3, Bonding Requirements, including the designation of beneficiaries of bond coverage, compensation claims under the coverage, required notices to the Department, and the priority of claims against bonds.

Subchapter 4, Distressed Property Purchaser Disclosures, including disclosures required of the foreclosure consultant prior to the conveyance of the distressed property, as well as the filing of forms required of the purchaser of a distressed property.

Subchapter 5, Books and records required including accounting methods; reproduction of documents; the location of books, records and accounts related to the business and the retention of those documents; and foreclosure consultant contract and the recording of same.

Subchapter 6, Reports to the Department, including an annual report in which the foreclosure consultant must provide specific information relating to their foreclosure consultant activities.

Subchapter 7, Advertising Requirements, which provide that only licensed foreclosure consultants may advertise as such and copies of any advertisements must be kept for specified time periods.

Subchapter 8, Prohibited Acts, includes those activities in which a foreclosure consultant may not engage and which may subject them to sanctions.

Subchapter 9, Administrative Actions As to Applicants, Licensees, or Other Persons, including the penalties imposed for violation of the governing statute and regulations and the process to be followed to initiate an action for a violation. This subchapter also addresses failure to respond to notice, consent to an administrative penalty, and response and request for a hearing.

The rules in this chapter were promulgated to implement the statutory requirements in N.J.S.A. 46:10B-53 through 68. The rules serve two general purposes. First, they protect consumers through the regulation of foreclosure consultants, a business that provides consumers with a financial service. Second, they provide guidance to the foreclosure consultant industry by setting standards for the licensees of this industry who act or hold themselves out as being foreclosure consultants in this State.

The Department of Banking and Insurance (Department) has undertaken a review of these rules at several levels to determine their current effectiveness and viability. The Department has reviewed N.J.A.C. 3:18 and has determined the existing rules continue to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. Accordingly, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period, with the following technical changes: correction of internal rule cross-references and updating of the Department's website address.

Full text of the technical changes follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. LICENSE REQUIREMENTS

3:18-2.2 Application for a license

(a) No person shall act as, offer to act as, or hold himself or herself out to be, a foreclosure consultant or use the designation foreclosure consultant, foreclosure consultant specialist, or similar designation in this State unless licensed by the Commissioner as set forth in the Act.

1.-8. (No change.)

9. The non-refundable application fee as specified [in] **at** N.J.A.C. [3:18-23.1(b)] **3:23-2.1(b)**

10.-11. (No change.)

3:18-2.4 Application for renewal of a license

(a) In order to apply to renew a license, a person who holds in good standing a license as a foreclosure consultant shall submit a completed renewal application which shall include the following:

1.-3. (No change.)

4. A certification that all information on the original application for licensure, and any information subsequently changed by the applicant in accordance with N.J.A.C. 3:18-[2.8]**2.2** is currently in effect.

(b)-(c) (No change.)

SUBCHAPTER 3. BONDING

3:18-3.1 Bond requirements

(a)-(c) (No change.)

(d) Use of the bond form posted on the Department's website at [www.state.nj.us/dobi] www.dobi.nj.gov in the amount specified [in] **at** (b) above or an amount adjusted as set forth [in] **at** (c) above and issued by a surety company authorized to write such bonds in New Jersey shall, subject to all other applicable requirements, be considered sufficient for approval.

SUBCHAPTER 4. DISTRESSED PROPERTY PURCHASER DISCLOSURES

3:18-4.1 Distressed property purchaser required disclosures

(a) Prior to the completion of a distressed property conveyance, a licensee shall notify a distressed property owner in writing that, pursuant to N.J.S.A. 46:10B-64.d, a distressed property purchaser is required to provide to that owner a disclosure statement setting forth in at least 14-point type all costs and fees that the owner will incur in connection with the conveyance.

1. (No change.)

2. A distressed property purchaser shall provide a disclosure statement in the form available on the Department's website at [www.state.nj.us/dobi] www.dobi.nj.gov.

(b) Prior to the completion of a distressed property conditional conveyance, a licensee shall notify a distressed property owner in writing that, pursuant to N.J.S.A. 46:10B-63.a, a distressed property purchaser is required to provide to the owner a disclosure statement in at least 14-point type setting forth all costs that the owner will incur in connection with the conditional conveyance and in connection with any option for the distressed property owner to repurchase the property, including a schedule of monthly and annual payments, closing costs, and any additional costs and fees related to the distressed property conditional conveyance.

1. (No change.)

2. A purchaser in a distressed property conditional conveyance shall provide the required conveyance in the form available on the Department's website at [www.state.nj.us/dobi] www.dobi.nj.gov.

(a)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Home Repair Financing Act Regulations

Readoption: N.J.A.C. 3:19

Authority: N.J.S.A. 17:1-8 and 15.e and 17:16C-62 through 94.