

RULE ADOPTIONS

BANKING

(a)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

General Provisions

Readoption: N.J.A.C. 3:1

Authority: N.J.S.A. 17:1-8, 17:1-8.1, 17:2A-1 et seq., 17:9-41, 17:9A-1 et seq., 17:9A-9, 17:9A-24a, 17:9A-25.2, 17:9A-316, 17:11C-49 and 89, 17:12B-1 et seq., 17:16F-11, 17:16I-1 et seq., 17:16L-1 et seq., 17:16N-1 et seq., and 31:1-1.

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

Effective Date: January 27, 2022.

New Expiration Date: January 27, 2029.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:1 were scheduled to expire on March 11, 2022.

Subchapter 1, Interest and Usury, establishes maximum interest rates on certain types of loans and is promulgated pursuant to N.J.S.A. 31:1-1.

Subchapter 2 specifies procedures for applying to the Department of Banking and Insurance (Department) for bank, savings bank or savings and loan charters, branches, and other types of facilities. It also specifies procedures for publishing notices of applications, as well as procedures for hearings.

Subchapter 3 regulates the making of mortgage loans in disaster areas.

Subchapters 4 and 5 are reserved.

Subchapters 6 and 7 set the fees the Department charges for specified services.

Subchapter 8 is reserved.

Subchapter 9 implements the Home Mortgage Disclosure Act, N.J.S.A. 17:16F-1 et seq.

Subchapter 10 requires a bank, savings bank, or savings and loan association that applies to the Department for a charter, branch, or other facility, and that intends to purchase or lease the real estate for the facility from an affiliated person, to file with its application a detailed real estate application for the purpose of demonstrating to the Commissioner of the Department that the transaction is in the best interest of the institution and that the terms of the transaction are equal to or better than the institution could have received in an arm's length transaction.

Subchapter 11 prohibits banks, savings banks, and savings and loan associations, and their affiliates, from purchasing or making a loan involving a director, executive officer, or affiliated person, unless the terms of the loan are comparable to those prevailing for non-affiliated persons or other employees.

Subchapter 12 regulates multiple party deposit accounts.

Subchapter 13 prohibits a banking institution, holding company, or other lender from requiring a borrower to obtain insurance from an agent controlled by the lender.

Subchapter 14 regulates revolving credit equity loans, including the terms of the agreement, the notification of changes, and the methods of computing interest.

Subchapter 15 requires that banking institutions comply with Federal Regulation CC, 12 CFR 229, or its successor regulation, implementing the Expedited Funds Availability Act, 12 U.S.C. §§ 4001 through 4010.

Subchapter 16 regulates the fees, charges, and obligations related to applications for closed-end residential mortgage loans secured by first liens. In particular, the rules set the requirements for loan applications, lock-in agreements, and commitments, and specify the permissible fees.

Subchapter 17 sets forth the rules for a banking institution to establish an automated teller machine (ATM).

Subchapter 18 prescribes the registration requirements for foreign banks to establish service facilities in this State. In addition, the rules

define the permissible activities that foreign banks may conduct at these locations.

Subchapter 19 regulates consumer checking accounts that must be established by depositories in this State. In addition, these rules provide an application procedure for institutions desiring to establish alternative accounts.

Subchapter 20 establishes under what circumstances the Department may request the Social Security number of an individual.

N.J.A.C. 3:1 Appendix A contains sample forms for joint accounts, payable on death (P.O.D.) accounts, and trust accounts.

The Department of Banking and Insurance (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

Registrar and Transfer Agents

Readoption: N.J.A.C. 3:12

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, 17:1C-33 et seq., and 17:16G-213.

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

Effective Date: January 18, 2022.

New Expiration Date: January 18, 2029.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:12 were scheduled to expire on February 23, 2022.

The rules implement N.J.S.A. 17:9A-213, which provides that the Commissioner of the Department of Banking and Insurance (Commissioner) establish standards for qualified corporations to act as registrars and transfer agents in the State.

The rules at Subchapter 1 contain definitions of key terms, including "qualified corporation," which is defined as a domestic corporation, or a foreign corporation authorized to transact business in this State that registers with the Department of Banking and Insurance (Department) to act as a registrar, transfer agent, and/or fiscal agent. The rules at Subchapter 1 also explain the effect of the rules on depository institutions.

The rules at Subchapter 2 set forth the application and reporting requirements for qualified corporations and require, when requested, a qualified corporation to provide its most recent financial statement and proof of fidelity insurance. The rules at Subchapter 2 also set forth requirements concerning the annual examination of a qualified corporation's records by a public accountant or certified public accountant. The rules set forth requirements concerning the filing of an annual report with the Commissioner and the examination of the qualified corporation by the Commissioner.

The rules at Subchapter 3 establish capital requirements for qualified corporations, including minimum capital requirements, restrictions on new accounts for deficient capitalization, the maximum time period for deficient capitalization, and restrictions on capital notes or debentures.

The rules at Subchapter 4 establish insurance coverage requirements for qualified corporations, including minimum fidelity insurance coverage and adequate mail insurance. The rules also set forth the requirement that the board of directors of a qualified corporation must review annually the insurance coverages maintained.

Lastly, the rules at Subchapter 5 require qualified corporations to maintain a business location in New Jersey and to maintain and provide for the safekeeping of records, stock certificates, and unclaimed cash