

CHAPTER 15

**RESIDENTIAL MORTGAGE LENDERS;
CORRESPONDENT MORTGAGE LENDERS;
MORTGAGE BROKERS; QUALIFIED INDIVIDUAL
LICENSEES; MORTGAGE LOAN ORIGINATORS**

Authority

N.J.S.A. 17:1-8, 8.1 and 15(e), 17:1C-33 et seq. and 17:11C-49.

Source and Effective Date

R.2008 d.70, effective February 26, 2008.
See: 39 N.J.R. 4361(a), 40 N.J.R. 1826(b).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 15, Residential Mortgage Lenders; Correspondent Mortgage Lenders; Mortgage Brokers; Qualified Individual Licensees; Mortgage Loan Originators, expires on February 26, 2015. See: 43 N.J.R. 1203(a).

Chapter Historical Note

Chapter 15, Licensed Lenders: Mortgage Bankers; Correspondent Mortgage Bankers; Mortgage Brokers; Secondary Lenders; Consumer Lenders and Sales Finance Companies was adopted as R.1997 d.183 effective April 21, 1997. See: 29 N.J.R. 525(a), 29 N.J.R. 1509(a).

Subchapter 5, Tangible Net Worth, Net Worth, Liquid Assets, Insolvency, Subchapter 6, Books and Records; Examinations; Annual Reports, Subchapter 7, Insurance, Subchapter 8, Advertising, Subchapter 9, Permissible Fees, Subchapter 10, Characteristics of Loans, Subchapter 11, Other Permissible Lines of Business for Consumer Lenders and Subchapter 12, Imposition of Administrative Penalties, were adopted as R.1997 d.257, effective June 16, 1997. See: 29 N.J.R. 1489(a), 29 N.J.R. 2641(a).

Chapter 15, Licensed Lenders: Mortgage Bankers; Correspondent Mortgage Bankers; Mortgage Brokers; Secondary Lenders; Consumer Lenders and Sales Finance Companies, was readopted as R.2002 d.353 effective October 10, 2002. See: 34 N.J.R. 1775(a), 34 N.J.R. 3795(a).

Chapter 15, Licensed Lenders: Mortgage Bankers; Correspondent Mortgage Bankers; Mortgage Brokers; Secondary Lenders; Consumer Lenders and Sales Finance Companies, was readopted as R.2008 d.70, effective February 26, 2008. See: Source and Effective Date. See, also, section annotations.

Chapter 15, Licensed Lenders: Mortgage Bankers; Correspondent Mortgage Bankers; Mortgage Brokers; Secondary Lenders; Consumer Lenders and Sales Finance Companies, was renamed Residential Mortgage Lenders; Correspondent Mortgage Lenders; Mortgage Brokers; Qualified Individual Licensees; Mortgage Loan Originators; Subchapter 5, Tangible Net Worth, Net Worth, Liquid Assets, Insolvency, was renamed Tangible Net Worth, Insolvency, and Subchapter 11, Other Permissible Lines of Business for Consumer Lenders, was repealed by R.2010 d.129, effective June 21, 2010 (operative July 31, 2010). See: 41 N.J.R. 2829(a), 42 N.J.R. 1139(b).

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SUBCHAPTER 1. GENERAL PROVISIONS

3:15-1.1 Purpose and scope

(a) This chapter implements the New Jersey Residential Mortgage Lending Act, N.J.S.A. 17:11C-51 et seq.

(b) This chapter shall apply to residential mortgage lenders, correspondent mortgage lenders, residential mortgage brokers, qualified individual licensees and mortgage loan originators licensed under the Act and those whose activities require they be licensed.

Amended by R.1999 d.191, effective June 21, 1999 (operative July 21, 1999).

See: 30 N.J.R. 1658(a), 31 N.J.R. 1609(a).

In (a), changed New Jersey Licensed Lenders Act reference.

Amended by R.2002 d.353, effective November 4, 2002.

See: 34 N.J.R. 1775(a), 34 N.J.R. 3795(a).

Rewrote the section.

Amended by R.2010 d.129, effective June 21, 2010 (operative July 31, 2010).

See: 41 N.J.R. 2829(a), 42 N.J.R. 1139(b).

In (a), substituted "Residential Mortgage Lending" for "Licensed Lenders" and updated the N.J.S.A. reference; and rewrote (b).

3:15-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise.

"Accrual basis of accounting" means the accounting method by which expenses are recorded when incurred, whether paid or unpaid, and income is recorded when earned, whether received or not received.

"Act" means the "New Jersey Residential Mortgage Lenders Act," N.J.S.A. 17:11C-51 et seq.

"Advertisement" means any announcement, statement, assertion, or representation that is placed before the public in a newspaper, magazine, or other publication or in the form of a notice, circular, pamphlet, letter or poster or over any radio or television station, by means of the internet or by other electronic means of distributing information, or in any other way.

"Alternate name" means an alternate name of a licensed person other than an individual registered pursuant to N.J.S.A. 14A:2-2.1(2) or 42:2B-4b.

"Application" means the document or documents or information, including the payment of any fees, that a particular lender or broker requires a borrower to submit for the purpose of having the lender or broker begin to process the mortgage loan document or documents to determine whether to grant or deny a loan.

"Application fee" shall have the meaning of that term in N.J.A.C. 3:1-16.2.

"Appraisal fee" shall have the meaning of that term in N.J.A.C. 3:1-16.2.

"Borrower" means any person applying for a loan from a lender licensed under the Act, whether or not the loan is granted, and any person who has actually obtained such a loan.

"Branch office" means any location where, in the regular course of business, applications for mortgage loans are distributed to or received from consumers, loan records are maintained, underwriting decisions are made, commitments or lock-in agreements are issued, or any fees or charges relating to the loan are received from consumers.

1. A home or place of business of a consumer shall not be considered a branch office.

2. A location shall not be considered a branch office merely because any or all of the following activities are conducted at the location: