

CHAPTER 5
DEDICATED FUNDING ASSESSMENT

Authority

N.J.S.A. 17:1-8, 17:1-8.1, 17:1-15 and 17:1C-33 et seq.

Source and Effective Date

R.2006 d.234, effective June 19, 2006.
See: 38 N.J.R. 20(a), 38 N.J.R. 2681(a).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 5, Dedicated Funding Assessment, expires on June 19, 2013. See: 43 N.J.R. 1203(a).

Chapter Historical Note

Chapter 5, Dedicated Funding Assessment, was adopted as new rules by R.2006 d.234, effective June 19, 2006. See: Source and Effective Date.

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SUBCHAPTER 1. PURPOSE AND SCOPE

3:5-1.1 Purpose and scope

(a) The purpose of this subchapter is to set forth the funding mechanism for the support of the Division of Banking in the Department of Banking and Insurance as required by N.J.S.A. 17:1C-33 et seq., and to distribute the financial burden proportionately among depository institutions and other financial entities that the Division of Banking, in the Department of Banking and Insurance, charters, licenses and registers consistent with the Division's regulatory activities.

(b) These rules apply to banks, savings banks, savings and loan associations, credit unions, licensed lenders, check cashers, money transmitters, consumer lenders, pawnbrokers, sales finance companies, insurance premium finance companies, home repair contractors, home repair finance agencies, motor vehicle installment sellers, debt adjusters and high cost home loan counselors.

SUBCHAPTER 2. DEFINITIONS

3:5-2.1 Definitions

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

"Act" means N.J.S.A. 17:1C-33 et seq.

"Application fees for licensees" means the non-refundable charges imposed on other financial entities for processing of applications submitted by them to the Department.

"Assessment" means the assessment imposed for the special functions of the Division relative to the financial regulation, supervision and monitoring of depository institutions and other financial entities that it licenses during the previous fiscal year.

"Authority" means one of the activities permitted for a licensee pursuant to the New Jersey Licensed Lenders Act, N.J.S.A. 17:11C-1 et seq.: either mortgage banker, correspondent mortgage banker or mortgage broker; secondary lender; consumer lender; or sales finance company.

"Call report" means the report of general financial condition submitted by all insured depository institutions to the Federal Deposit Insurance Corporation, the Office of Thrift

Supervision, or the National Credit Union Administration, as the case may be, on a quarterly basis and shall include reports filed with the Department by limited purpose companies on a semiannual basis pursuant to N.J.S.A. 17:9A-256.

“Charter fees” means the nonrefundable charges imposed for the initial review by the Division of those seeking New Jersey approval for the initial establishment of a bank, savings bank, savings and loan association or credit union or for the designation as a low income credit union.

“Commissioner” means the Commissioner of Banking and Insurance.

“Consumer Finance” means the Office of Consumer Finance in the Division of Banking in the Department of Banking and Insurance.

“Department” means the Department of Banking and Insurance.

“Depositories” means the Office of Depositories in the Division of Banking in the Department of Banking and Insurance.

“Depository institution” means any entity holding an approval from the Department for the initial establishment of a bank, savings bank, savings and loan association or credit union, irrespective of whether the entity accepts deposits.

“Division” means the Division of Banking in the Department of Banking and Insurance.

“Licensee” means any regulated entity other than a depository institution or credit union.

“Other financial entity” means a person who is licensed or registered pursuant to: the New Jersey Licensed Lenders Act, P.L. 1996, c. 157 (N.J.S.A. 17:11C-1 et seq.); The Check Cashers Regulatory Act of 1993, P.L. 1993, c. 383 (N.J.S.A. 17:15A-30 et seq.); the New Jersey Money Transmitters Act, P.L. 1998, c. 14 (N.J.S.A. 17:15C-1 et seq.); the Insurance Premium Finance Company Act, P.L. 1968, c. 221 (N.J.S.A. 17:16D-1 et seq.); the Retail Installment Sales Act of 1960, P.L. 1960, c. 40 (N.J.S.A. 17:16C-1 et seq.); the Door-to-Door Retail Installment Sales Act of 1968, P.L. 1968, c. 223 (N.J.S.A. 17:16C-61.1 et seq.); the Home Repair Financing Act, P.L. 1960, c. 41 (N.J.S.A. 17:16C-93 et seq.); the Door-to-Door Home Repair Sales Act of 1968, P.L. 1968, c. 224 (N.J.S.A. 17:16C-95 et seq.); the Debt Adjusters Act, P.L. 1979, c. 16 (N.J.S.A. 17:16G-1 et seq.); the Pawnbroking Law, P.L. 1931, c. 294 (N.J.S.A. 45:22-1 et seq.) or the New Jersey Home Ownership Security Act, P.L. 2003, c. 64, §11 (N.J.S.A. 46:10B-32.)

“Regulated entity” means a depository institution, other financial entity or person chartered, licensed or registered by the Division of Banking or that should be chartered, licensed or registered.

SUBCHAPTER 3. CERTIFICATION OF EXPENSES; SPECIAL FUNCTION APPORTIONMENT

3:5-3.1 Expense certification

(a) In accordance with N.J.S.A. 17:1C-33 et seq. the Director of the Division of Budget and Accounting in the Department of the Treasury shall, on or before August 15 in each year, ascertain and certify to the Commissioner by category the total amount of expenses incurred by the State in connection with the administration of the special functions of the Division of Banking in the Department of Banking and Insurance relative to the financial regulation, supervision and monitoring of depository institutions and other financial entities it licenses during the preceding fiscal year. Those expenses shall include, in addition to the direct cost of personal service, the cost of maintenance and operation, the cost of employee benefits and the workers' compensation paid for and on account of personnel, rentals for space occupied in State-owned or State-leased buildings and all other direct and indirect costs of the administration of those functions of the Department, as well as any amounts remaining uncollected from the assessment of the previous fiscal year. Certification made pursuant to this subchapter shall be made by the Director of the Division of Budget and Accounting.

(b) Upon receipt of the certification made by the Director of the Division of Budget and Accounting pursuant to (a) above, but no later than September 1 in each year following the close of the previous fiscal year, the Commissioner shall issue the assessment for the amount of the expenses incurred by, or on behalf of, the special functions of the Division. Statements of the individual assessments made pursuant to this subsection and in accordance with N.J.A.C. 3:5-4 shall be distributed via mailing among all regulated entities.

(c) The Commissioner shall certify the amount of the individual assessment issued to each regulated entity. Each regulated entity shall remit the amount so certified and assessed to it to the Department. Amounts collected by the Department shall be used for reimbursement to the State for expenses incurred in connection with the special functions of the Division relative to the financial regulation, supervision and monitoring of depository institutions and other financial entities it charters, licenses or registers, provided that the amount collected for those expenses shall not exceed the amount appropriated by the Legislature for those expenses.

SUBCHAPTER 4. ASSESSMENT COMPUTATION FORMULA

3:5-4.1 Departmental expenses

(a) The direct expenses of the Office of Depositories and the Office of Consumer Finance shall be maintained and allocated to each Office separately.