

CHAPTER 10

MORTGAGES

Authority

N.J.S.A. 17:1-8.1, 17:1-15(e), 17:9A-64.1,
17:12B-48(21) and 17:29-11.

Source and Effective Date

R.2006 d.442, effective November 21, 2006.
See: 38 N.J.R. 3105(a), 38 N.J.R. 5354(b).

Chapter Expiration Date

Chapter 10, Mortgages, expires on November 21, 2011.

Chapter Historical Note

Chapter 10, Mortgages, was adopted and became effective prior to September 1, 1969.

Subchapter 8, Appraisal Value Relaxed for Certain Loans, was adopted as new rules by R.2004 d.282, effective July 19, 2004. See: 36 N.J.R. 1261(a), 36 N.J.R. 3397(a).

Chapter 10, Mortgages, was readopted as R.2006 d.442, effective November 21, 2006. As part of R.2006 d.442, Subchapter 1, Limitations on Mortgage Loans, Subchapter 2, Extension of the Time Factor in Connection with Construction Mortgage Loans, Subchapter 3, Pledging Collateral Security For Certain Excess Mortgage Loans, Subchapter 4, Increase in Ratio of Mortgage to Appraise Value of Mortgaged Property, Subchapter 6, Out-of-State Mortgages and Subchapter 7, Secondary Mortgage Loans, were repealed effective December 18, 2006. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTERS 1 THROUGH 4. (RESERVED)

SUBCHAPTER 5. CHARGE FOR SUBSTITUTION OF
POLICIES

3:10-5.1 Maximum charge

SUBCHAPTERS 6 THROUGH 7. (RESERVED)

SUBCHAPTER 8. APPRAISAL VALUE RELAXED FOR
CERTAIN LOANS

3:10-8.1 Appraisal ratio relaxed for certain loans

SUBCHAPTERS 1 THROUGH 4. (RESERVED)

SUBCHAPTER 5. CHARGE FOR SUBSTITUTION OF
POLICIES

3:10-5.1 Maximum charge

No lender or other legal entity servicing mortgages shall make any charge in excess of \$5.00 for the substitution in midterm by the mortgagor of an insurance policy or policies.

SUBCHAPTERS 6 THROUGH 7. (RESERVED)

SUBCHAPTER 8. APPRAISAL VALUE RELAXED FOR
CERTAIN LOANS

3:10-8.1 Appraisal ratio relaxed for certain loans

(a) A bank or savings bank may originate or acquire mortgage loans up to 100 percent of the appraised value of the property, provided that:

1. The applicant has insufficient resources to make a downpayment of 10 percent or more;
2. The loan does not exceed the lending limits for FHA loans by county (published at www.fha.com);
3. The aggregate amount of loans originated or acquired pursuant to this section shall not exceed five percent of the capital funds of the bank or savings bank as defined in N.J.S.A. 17:9A-60 without prior approval of the Commissioner; and
4. One or more of the following conditions are met:
 - i. The mortgage loan is made to an individual or family of low or moderate income, as defined by 12 U.S.C. § 2901, who will occupy the property as a primary residence;
 - ii. The mortgage loan is made to a first-time homebuyer who will occupy the property as a primary residence;
 - iii. The mortgage loan is made to an individual or family who currently resides, or who will reside, in a low or moderate income census tract as defined by 12 U.S.C. § 2901, and who will occupy the property to be mortgaged as a primary residence; or
 - iv. The mortgage loan is made to an individual or family who is seeking a loan in connection with any State or Federal agency affordable housing construction, purchase or refinancing program.