



State of New Jersey

**DEPARTMENT OF CONSERVATION
AND ECONOMIC DEVELOPMENT**

JOSEPH E. MCLEAN, COMMISSIONER
TRENTON 7

DIVISION OF ADMINISTRATION

ALDEN T. COTTRELL
DIRECTOR

PLEASE ADDRESS REPLY TO:
STATE HOUSE ANNEX

February 21, 1955

Mr. Thompson:

I am attaching Administrative Rules and Regulations
from the following units of this Department.

A.R. Post - Bureau of Planning and Commerce
M.E. Johnson - Bureau of Geology and Topography
John Wyack - Division of Water Policy and Supply
John Wyack - Delaware and Raritan Canal
Salvatore A. Bontempo - Division of Veterans Services
F.E. Kimble, Jr. - Bureau of Aeronautics
Peter J. Gannon - Bureau of Navigation

A handwritten signature in cursive script that reads "Alden T. Cottrell".

Alden T. Cottrell

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RULES AND REGULATIONS

DEPARTMENT OF CONSERVATION AND
ECONOMIC DEVELOPMENT

MEMORANDUM

January 12, 1955

TO: Mr. Alden T. Cottrell
Director, Division of Administration

FROM: Salvatore A. Bontempo, Director
Division of Veterans' Services

SUBJECT: Administrative Rules and Regulations as per
the State Constitution

In compliance with your request of January 4, 1955 pertaining to the above subject, attached are regulations covering the Division of Veterans' Services.

VETERANS LOAN AUTHORITY
DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT
STATE OF NEW JERSEY

JOSEPH E. MC LEAN
Commissioner

SALVATORE A. BONTEMPO
Director
Division of Veterans' Services

REGULATIONS UNDER THE
VETERANS' LOAN ACT (1944)

(L. 1944, Chapter 126, as amended and supplemented)

Issued At
TRENTON, NEW JERSEY
July 3, 1946
Reprinted Oct. 15, 1954

VETERANS LOAN AUTHORITY
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF NEW JERSEY

REGULATIONS UNDER THE
VETERANS' LOAN ACT (1944)
GUARANTY OR INSURANCE OF LOANS

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VETERANS LOAN AUTHORITY
DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT
STATE OF NEW JERSEY

REGULATIONS UNDER THE
VETERANS' LOAN ACT (1944)

July 3, 1946

Reprinted Oct. 15, 1954

The following regulations govern the guaranty or insurance of loans under the Veterans' Loan Act (1944), (L. 1944, c. 126 as amended and supplemented)

PART I

DEFINITIONS

Section 1.001. Whenever used in these regulations, unless otherwise specifically indicated, the terms defined herein shall have the following meaning:

a. "Authority" means the Veterans Loan Authority in the New Jersey State Department of Conservation and Economic Development.

b. "Commissioner" means the Commissioner of the Department of Conservation and Economic Development.

c. "Bank" and "Lender" mean any financial corporation authorized to make loans to veterans under and pursuant to the provisions of the Veterans' Loan Act (1944), (L. 1944, c. 126 as amended and supplemented)

d. "Fund" means the Veterans Loan Guaranty and Insurance Fund as described in the Veterans' Loan Act (1944).

e. "Reserve Fund" means the individual fund set aside by the Veterans Loan Authority to the credit of a bank electing to have its veterans' loans insured in accordance with the provisions of Section 9 of Chapter 185 of the Laws of 1945.

f. "Business Counselor" means a member of the business counseling service described in the Veterans' Loan Act (1944).

g. "Business" means any gainful occupation or profession, including any agricultural pursuit, which constitutes the applicant's major occupation.

h. The "Act" means the Veterans' Loan Act (1944), (L. 1944, c. 126 as amended and supplemented)

i. "Business Loan" means a loan made under the Act for the purpose of establishing or reestablishing a veteran in a business or profession.

j. "Household Furnishings Loan" means a loan made under the Act to finance the purchase of household furnishings or household appliances, or both.

k. "Seller" or "Dealer" means the individual, partnership, or corporation, regularly engaged in the business of selling household furnishings or household appliances, or both, from whom a veteran has purchased any such articles, the purchase of which is financed with the proceeds of an approved veteran's household furnishings loan.

l. "Guaranty" means the guaranty provided in Section 10 of Chapter 185 of the Laws of 1945.

m. "Insurance" means the insurance provided in Section 9 of Chapter 185 of the Laws of 1945.

n. "Veteran" and "Borrower" mean any person defined as a veteran in Section 7 of Chapter 126 of the Laws of 1944.

o. "Veteran's Note" means the promissory note executed by the veteran at the time the loan is made.

p. "Veteran's Loan" means any approved loan heretofore made under and pursuant to the provisions of Chapter 126 of the Laws of 1944 or under and pursuant to the provisions of said Chapter 126 of the Laws of 1944 as amended and supplemented by Chapter 185 of the Laws of 1945, and any approved loan heretofore or hereafter made under and pursuant to the provisions of said Chapter 126 of the Laws of 1944 as amended and supplemented by Chapter 185 of the Laws of 1945, and Chapter 121 of the Laws of 1946.

PART II

PROCEDURE: APPLICATIONS

Section 1.002. Forms. Application for a business loan under the Act shall be made on Form DED-VLA-1. Application for a household furnishings loan under the Act shall be made on Form DED-VLA-23. All questions on these forms must be answered. Such forms shall be completed and executed in duplicate.

Section 1.003. Referral to Business Counselor. When the appropriate application forms have been properly completed and executed by the veteran the bank shall direct him to submit both the original and duplicate thereof to the business counselor selected by him from the list of business counselors furnished by the bank.

Section 1.004. Consultation with Business Counselor.

a. Business Loans: Each business counselor to whom an application for a business loan has been submitted shall consult with the applicant and shall determine:

1. Whether the applicant has training or experience (civilian or military) in the business or profession in which he proposes to engage, and whether such training or experience is sufficient to enable him to meet the needs of his proposed venture. Any doubt should be resolved in favor of the veteran.

2. Whether the fact that the applicant is a returned veteran would enhance his chances of success in the proposed venture.

3. Taking into consideration the applicant's ability and the conditions under which he proposes to pursue the proposed venture, whether he will be able to meet the payments required under the terms of the loan.

4. Whether the amount of the loan requested is inadequate, sufficient, or excessive to establish the applicant in the proposed venture. If it is insufficient, whether the veteran has any other means to meet the requirements of the business.

5. All other facts which may have some bearing upon the success or failure of the venture, so that he, the counselor, may determine whether the venture has a reasonable chance of success.

b. Household Furnishings Loan: Each business counselor to whom an application for a household furnishings loan has been submitted shall consult with the applicant and shall determine whether there is a reasonable likelihood that the applicant will be able to meet the payments required under the terms of the loan.

Section 1.005. Decision by Business Counselor. The business counselor shall, upon approval of the application, so indicate in the space provided on both the original and duplicate application forms and return both to the bank. Upon disapproval of the application, the business counselor shall so indicate on the original and duplicate of the application forms in the space provided and return them to the bank, together with a brief statement setting forth his reasons for disapproval.

Section 1.006. Decision by Bank and Transmission of Application to Authority. Upon return of the application forms to the bank by the business counselor the bank shall determine whether to approve or disapprove the making of the loan. It shall indicate its approval or disapproval in the space provided on both the original and duplicate application forms and shall then forward both copies, whether the application is approved or disapproved, to the Veterans Loan Authority, 520 East State Street, Trenton 7, N.J. In the event that the bank and the counselor disagree as to approval or rejection of the application, the bank will annex to the application and forward to the Authority with the same, a statement containing its reasons for approval or disapproval of the application. The business counselor's statement of disapproval shall also be forwarded by the bank to the Authority.

Section 1.007. Decision by Commissioner. Upon receipt of the papers from the bank, the commissioner shall determine, in accordance with the provisions of the Act, whether to approve or disapprove the application. Such approval or disapproval shall be stated on the original application in the space therein provided. The original of each application approved by both the bank and the Authority shall be returned to the bank. A statement of such approval shall be sent by the Authority to the veteran. Both the original and duplicate of any application disapproved by either the bank or the Authority shall be retained by the Authority. A statement of such disapproval shall be sent by the Authority to the veteran, and a copy thereof to the bank.

PART III

ADDITIONAL REGULATIONS CONCERNING BUSINESS LOANS

Section 1.008. Two or More Eligible Veterans. In any case where two or more eligible veterans join in a business venture, each may apply separately for a business loan not exceeding three thousand dollars if the needs of the business so require.

Section 1.009. Loans for the Acquisition of a Business. The assets to be acquired may consist of real or personal property, tangible or intangible, or a combination of any such property. The business so acquired may be operated by an individual or partnership. The appropriate contract or circumstances shall assure that upon acquisition of a contemplated interest in the business enterprise the veteran, as sole owner or as partner, shall have an active part in the management and direction thereof. In cases where the veteran acquires an interest in a partnership, articles of co-partnership shall be required to be executed by an between the veteran and his partner or partners; and a copy thereof filed with the bank.

Section 1.010. Loans for the Acquisition of an Interest in a Corporation.

a. Acquisition of a Fifty Per Cent or Majority Interest in a Corporation. The proceeds of a veteran's business loan may be used for the acquisition by the veteran of a fifty per cent or majority interest in a business corporation organized and existing under and by virtue of the Laws of the State of New Jersey; provided, however, that for the protection and benefit of the veteran, the bank making the loan shall make certain that:

1. The interest so acquired shall be represented by fifty per cent or more, as the case may be, of the total issued and outstanding capital stock of such corporation; and

2. The stock certificates shall be acquired by the veteran in his own name, shall represent fifty per cent or more, as the case may be, of the voting rights in such corporation, and shall be such as are fully paid and nonassessable; and

3. Upon the acquisition of such stock the veteran shall have an active part in the management of the corporation; and

4. An employment contract shall be entered into by the veteran and the corporation, which contract shall make provision for the employment of the veteran in a managerial capacity in the corporation for a period of time not less than the term of the veteran's note, a copy of which contract shall be filed by the veteran with the bank making the loan; and

5. The corporation, by each of its stockholders, shall, in writing, certify to the bank making the loan that except upon the prior consent thereto by such bank, no currently authorized and unissued stock of such corporation will be issued and no additional stock will be authorized and issued.

b. Acquisition of a Minority Interest in a Corporation.
The proceeds of a veteran's business loan may be used for the acquisition by the veteran of a minority interest in a business corporation organized and existing under and by virtue of the Laws of the State of New Jersey; provided, however, that for the protection and benefit of the veteran, the bank making the loan shall make certain that:

1. The interest so acquired shall be represented by a proportionate amount of the total issued and outstanding capital stock of such corporation; and

2. The stock certificates shall be acquired by the veteran in his own name, shall represent a proportionate share of the voting rights in such corporation, and shall be such as are fully paid and nonassessable; and

3. Upon the acquisition of such stock the veteran shall have an active part in the management of the corporation; and

4. An employment contract shall be entered into between the veteran and the corporation, which contract shall make provision for the employment of the veteran in a managerial capacity in the corporation for a period of time not less than the term of the veteran's note, a copy of which contract shall be filed by the veteran with the bank making the loan; and

5. A voting trust agreement shall be entered into between all of the stockholders in the corporation and a voting trustee to be approved by the business counselor who approved the application for the loan, which agreement shall make provision for its continuance for at least the term of the veteran's note, and which agreement shall contain a provision to the effect that except upon the prior consent thereto by the bank making the loan, no currently authorized or unissued stock of such corporation will be issued and no additional stock will be authorized and issued; and

6. Each stock certificate of such corporation shall bear a notation to the effect that it is subject to the provisions of said voting trust agreement.

Section 1.011. Waiver of Grace Period. The Act provides: "...any veteran at his option, may, on such form as the commissioner shall prescribe, waive the grace period, or any part thereof, herein provided him for the payment of the first installment of interest, or the grace period, or any part thereof, herein provided him for the payment of the first installment of principal, or both." If the veteran shall exercise such option, then simultaneously with the execution of the veteran's note, the appropriate Veterans Loan Authority form of waiver shall be completed and executed in duplicate. The original of such waiver shall be attached to the original note and the duplicate thereof shall be attached to the duplicate note to be forwarded to the Veterans Loan Authority as provided in Section 1.012 hereof.

Section 1.012. Notes. The only primary evidence of indebtedness which may be used in the making of a veteran's business loan is:

a. Note form DED-VLA-2 BG (monthly payment) or note form DED-VLA-3 BG (quarter-annual payment), as the case may be, to be used when the veteran does not waive the grace period provided him under the Act; or

b. Note form DED-VLA-2 BW (monthly payment) or note form DED-VLA-3 BW (quarter-annual payment), as the case may be, to be used when the veteran does waive the grace period provided him under the Act.

The note shall be executed in duplicate, shall bear the endorsement of the spouse of the veteran, if any, and the bank making the loan shall mail the duplicate to the Authority within five days after execution of the same.

Section 1.013. Maximum Amount of Loan. The amount of a business loan may be in any multiple of fifty dollars provided, however, that such amount may not exceed the maximum amount reasonably necessary to enable the veteran to start in the business or profession, or three thousand dollars (\$3,000.00), whichever is less.

Section 1.014. Repayment Provisions. Subject to the limitations contained in the Act, the terms of repayment of a business loan to be guaranteed or insured will be such as the bank and borrower agree. Such terms should be predicated primarily upon the anticipated earning capacity of the business, the nature and normal useful life of the security, if any, and other material factors that would be considered by reasonable prudent persons similarly situated.

Section 1.015. Mortgages - Generally. When a business loan, or any part thereof, is made to finance the purchase of any specific property to be used in the business or profession, a mortgage on such property securing the amount of the loan, is required. In all such cases the appropriate Veterans Loan Authority form of chattel or real property mortgage shall be used. In any case where the veteran requires moneys in excess of a \$3,000.00 veteran's loan in order to purchase specific personal property to be used in his venture, and the bank is willing to lend such excess without any guaranty or insurance thereon by the Veterans Loan Authority, then, if specific property

is to be purchased with the proceeds of both loans, chattel mortgage form DED-VLA-10A shall be used. This form provides that out of the proceeds of any sale of such property the non-guaranteed or uninsured loan shall first be satisfied before any application of said proceeds to the guaranteed or insured loan.

Whenever any mortgage is required to be made pursuant to the provisions of this section, the bank making the loan shall cause such mortgage to be duly recorded in the proper county office.

Section 1.016. Loans for the Purchase of a Motor Vehicle. Where all or part of the proceeds of a business loan is to be used to purchase a motor vehicle, the following procedure shall be followed:

a. The veteran shall execute a chattel mortgage covering such motor vehicle, and securing the amount of the loan, on form DED-VLA-10 or DED-VLA-10A, as the case may be. The bank shall then cause such mortgage to be duly recorded in the proper county office.

b. In addition to the above, the bank shall require that there appear, on the proper New Jersey Department of Motor Vehicles form, a notation that there exists, against such motor vehicle, the lien created by such mortgage.

Section 1.017. Extension or Refinancing of Veterans' Business Loans. Subject to the following provisions, any veteran's business loan heretofore or hereafter made for a period of less than six years may be extended or refinanced in the discretion of the bank without affecting the obligation of the Authority thereunder. The approval by the Authority of any such extension or refinancing is hereby given provided:

a. A new note (form DED-VLA-2 BG or BW or DED-VLA-3 BG or BW, whichever the case may be) shall be executed by the veteran, and shall contain the veteran's loan number appearing on the original note followed by the letter "A", and

b. The note shall contain the endorsement of the spouse of the veteran, if any, in the space provided thereon; and

c. Interest shall continue at a rate not exceeding four per centum (4%) per annum on the unpaid balance of the principal sum from time to time remaining; and

d. Interest shall be payable in monthly or quarter-annual installments, the first of which shall be payable not less than six months after the date of the original note unless the veteran shall have waived such grace period, or any part thereof, and the last of which shall be payable not exceeding six years from the date of the original note; and

e. The unpaid balance of principal shall be payable in monthly or quarter-annual installments, the first of which shall be payable not less than twelve months from the date of the original note unless the veteran shall have waived such grace period, or any part thereof, and the last of which shall be payable not exceeding six years from the date of the original note; and

f. If the original note was secured by a lien on property purchased with the proceeds of the loan, such lien shall be continued in full force and effect; and

g. Upon the execution of the new note by the veteran the original note shall be marked "Cancelled" by the bank and shall be returned to the veteran; and

h. The duplicate of the new note shall be mailed to the Authority within five days after execution of the same; and

i. The interest accrued on the original note shall be paid by the veteran at the time of the execution of the new note; and the amount of such interest payment shall be included in the notice to the Authority required under Section 1.050 hereof.

Any extension or refinancing of any veteran's business loan other than in accordance with the provisions of this section shall first require approval, in writing, by the commissioner before the same shall become effective.

Section 1.018. Lien of Mortgage. Every mortgage required to be made under these regulations shall be such as shall create a valid first lien on the property covered by such mortgage, unless the Veterans Loan Authority shall, in writing, permit otherwise.

Section 1.019. Transfer of Title. The conveyance or other transfer of a veteran's interest in a business, or in other property, real, personal or mixed, which has been acquired wholly or in part with the proceeds of a guaranteed or insured business loan, shall not terminate or otherwise affect the guaranty or insurance thereon, unless: (a) the bank by express agreement for that purpose releases or otherwise discharges the veteran from personal liability on his note; or (b) by the indulgence of, or by agreement with, the veteran's immediate or remote grantee, or vendee, contrary to these regulations and without the consent of the Veterans Loan Authority, the bank so alters the contract made by the veteran with it as to cause discharge of the veteran by operation of law.

Section 1.020. Checking or Savings Accounts Required. The Act provides that: "Any bank making a veterans' loan shall co-operate with the commissioner in supervising the use of the credit in accordance with its purposes." In accordance therewith, but not in limitation thereof, simultaneously with the making of a veteran's business loan, the bank making the loan shall require the veteran to deposit the entire proceeds thereof in a checking or savings account with such bank.

Section 1.021. Immediate Purchase of Specific Property - Supervision of Payment. In any case where the entire proceeds of a business loan, or any part thereof, are to be used by the veteran, immediately upon the making of the loan, for the purchase of specific property to be used in the business or profession described in the application for the loan, the bank making the loan shall supervise the payment of such proceeds or such part thereof to the seller of such property.

PART IV

ADDITIONAL REGULATIONS CONCERNING HOUSEHOLD FURNISHINGS LOANS

Section 1.022. Waiver of Grace Period. The Act provides: "...any veteran at his option, may, on such form as the commissioner shall prescribe, waive the grace period, or any part thereof, herein provided him for the payment of the first installment of principal and interest." If the veteran shall exercise such option, then simultaneously with the execution of the veteran's note, the appropriate Veterans Loan Authority form of waiver shall be completed and executed in duplicate. The original of such waiver shall be attached to the original note and the duplicate thereof shall be attached to the duplicate note to be forwarded to the Veterans Loan Authority, as provided in Section 1.023 hereof.

Section 1.023. Notes. The only primary evidence of indebtedness which may be used in the making of a veteran's household furnishings loan is note form DED-VLA-2 H-C (monthly payment - to be used with conditional sales contract); or note form DED-VLA-2 H-M (monthly payment - to be used with chattel mortgage); or note form DED-VLA-3 H-C (quarter-annual payment - to be used with conditional sales contract); or note form DED-VLA-3 H-M (quarter-annual payment - to be used with chattel mortgage), as the case may be. The note shall be executed in duplicate, shall bear the endorsement of the spouse of the veteran, if any, and the bank making the loan shall mail the duplicate to the Authority within five days after the execution of the same.

Section 1.024. Repayment Provisions. Subject to the limitations contained in the Act, the terms of repayment of a household furnishings loan to be guaranteed or insured, will be such as the bank and borrower agree.

Section 1.025. Conditional Sales Contract. Except as otherwise provided in Section 1.029 hereof, each household furnishings loan shall be secured by a conditional sales contract covering all of the property purchased with the proceeds of such loan. The appropriate Veterans Loan Authority form of conditional sales contract shall be completed in quadruplicate. The seller and the veteran shall execute the original and each copy of such contract. The spouse of the veteran, if any, shall affix his or her signature to said contract and each copy thereof in the space therein provided.

The assignment of the contract, appearing thereon, shall be completed and executed in quadruplicate by the seller.

The title to the property described in such conditional sales contract shall be such as shall be free and clear of all encumbrances whatsoever, except such contract. All provisions of law required to effectuate a valid reservation of the property in the seller and/or any assignee thereof, as against any and all individuals, partnerships, corporations, associations or other persons, shall be complied with.

Section 1.026. Maximum Amount of Loan. The amount of a household furnishings loan may be in any multiple of ten dollars, provided, however, that such amount may not exceed the maximum amount reasonably necessary to purchase the household property, or one thousand dollars (\$1,000.00), whichever is less.

Section 1.027. Disbursement of the Proceeds of the Loan. Upon receipt by the bank making a household furnishings loan secured by a conditional sales contract:

a. Of the original and duplicate promissory note fully completed and executed, and containing the endorsement of the seller, in the space provided on the back thereof; and

b. Of original and duplicate of fully completed and executed waiver of grace period, if the grace period provided under the Act has been waived; and

c. Of the original of the conditional sales contract, the duplicate original thereof marked "For Filing or Recording", and the copy thereof marked "Buyer's Copy", all fully completed and executed and containing the completed and executed assignment by the seller; and

d. Of the completed and executed authorization (on form DED-VLA-27), by the veteran, authorizing the bank to disburse to the seller the balance of the purchase price of the property described in the contract as set forth in said contract;

said bank shall disburse to the seller the balance of the purchase price of the property described in the contract, as set forth in said contract.

The original promissory note, conditional sales contract and assignment thereof, and the aforementioned authorization, shall be kept by the bank. The copy of the conditional sales contract marked "Buyer's Copy" shall be delivered to the buyer.

Section 1.028. Purchases from Several Dealers. Except as otherwise provided in Section 1.029 hereof, in the event that the proceeds of any one approved veteran's household furnishings loan are to be used to finance the purchase of several articles from more than one dealer, then the amount required to complete the purchase price to each dealer shall be in a multiple of ten dollars and shall be evidenced by a separate promissory note in such amount. A separate waiver of grace period, if any, a separate authorization (on form DED-VLA-27), and a separate conditional sales contract covering the article or articles purchased from such dealer are required.

The regulations hereinabove and hereinafter set forth shall govern each of such separate transactions to the same extent and in the same manner as if the entire proceeds of the approved loan were used to finance the purchase of one or more articles from one dealer; provided, however, that the aggregate of the principal amounts of all such separate notes shall in no event exceed the total amount of the approved loan.

Section 1.029. Chattel Mortgage in Lieu of Conditional Sales Contract. As security for the repayment of a household furnishings loan, in lieu of the conditional sales contract or contracts, the bank making the loan may require a chattel mortgage covering all of the property purchased with the proceeds of such loan. In such case:

a. Chattel mortgage form DED-VLA-10 HF&A shall be used; and

b. The mortgage shall be such as shall create a valid first lien on the property covered thereby, unless the Veterans Loan Authority shall, in writing, permit otherwise; and

c. The bank making the loan shall supervise the payment of the proceeds thereof to the seller or sellers of such property.

Section 1.030.* Recording or Filing - Security Instruments. Every chattel mortgage and the duplicate original of every conditional sales contract made pursuant to the provisions hereof, shall be recorded or filed, as the case may be, by the bank making the loan. Such recording or filing shall be made in the manner and in the place as prescribed by law. All provisions of law as to recording, filing or refileing shall be adhered to.

PART V

GENERAL REGULATIONS CONCERNING ALL LOANS

Section 1.031. Interest. The Act provides that each loan made thereunder shall: "...Bear interest at a rate not exceeding four per centum (4%) per annum on the unpaid balance."

Section 1.032. Repayment Schedules. All notes shall be completed in accordance with appropriate repayment schedules provided by the Authority. A book of schedules will be supplied to each bank. Subject to the provisions of the Act, if any arrangement for repayment is agreed upon between the bank and borrower other than those provided for in such book of schedules, the Authority will, on request, supply the bank with a repayment schedule in accordance with such agreement.

Section 1.033. Time Limit for Making Loans. The loan is to be made by the bank within ninety (90) days from the date of receipt of the approved application. If such loan is not made within such time the application shall be deemed withdrawn. Execution of a new application will then be required. The Commissioner may, on request by the bank in case of extenuating circumstances, extend the time for making the loan.

Section 1.034. Cost of Making Loan. Except as provided in Section 1.035 hereof, the entire cost to the borrower of making any loan, regardless of amount, shall be included in a single charge of ten dollars (\$10.00) for all costs exclusive of interest, of which two dollars (\$2.00) shall be paid by the bank to the Authority. Said payment of two dollars shall be forwarded to the Authority together with the duplicate note hereinabove required.

Section 1.035. Lien Instruments - Costs.

a. Business Loans:

1. Chattel Mortgages: In addition to the ten dollar charge required for the making of the business loan, the amount actually paid or incurred by the bank as and for expenses in connection with the making of

any chattel mortgage required hereunder as security for such loan, including search fees and recording fees, may be charged by the bank to the borrower; provided, however, that the maximum amount which may be charged to the borrower to defray the expenses incurred in connection with the making of such chattel mortgage, including search fees and recording fees, shall in no event exceed the sum of twenty-five dollars (\$25.00).

2. Real Property Mortgages: In addition to the ten dollar charge required for the making of the business loan, the amount actually paid or incurred by the bank as and for expenses in connection with the making of any real property mortgage required hereunder as security for such loan, including search fees and recording fees, may be charged by the bank to the borrower; provided, however, that the maximum amount which may be charged to the borrower to defray the expenses incurred in connection with the making of such real property mortgage, including search fees and recording fees, shall in no event exceed the sum of seventy-five dollars (\$75.00).

b. Household Furnishings Loans: In addition to the ten dollar charge required for the making of the household furnishings loan, the amount actually paid or incurred by the bank as and for expenses in connection with the making of any chattel mortgage or conditional sales contract required hereunder as security for such loan, including search fees and recording or filing fees, may be charged by the bank to the borrower; provided, however, that where the loan is secured by a chattel mortgage, the charge by the bank to the borrower to defray the expenses incurred in connection with the making of such chattel mortgage, including search fees and recording fees, shall in no event exceed the sum of ten dollars (\$10.00); and provided that, where the loan is secured by one or more conditional sales contracts, the charge by the bank to the borrower shall not be more, with respect to the first contract, than the amount actually paid by the bank as and for the fee required for the filing or recording of such contract, nor more than the sum of two dollars and fifty cents (\$2.50) with respect to each contract beyond the first, nor more than the total sum of ten dollars (\$10.00) with respect to all such contracts.

Section 1.036. Notice of Recording or Filing of Security Instruments. Within fifteen days after the making of any veteran's loan, the bank making the same shall notify the Authority of the recording or filing, as the case may be, in accordance with the provisions of law, of any mortgage or conditional sales contract or contracts given as security for the repayment of the loan.

Section 1.037. Hazard Insurance. Each bank making a loan secured by a lien on property purchased with the proceeds thereof shall, in addition to the type of insurance required by the provisions of the lien instrument, require such insurance policies to be procured and maintained as may be necessary to protect the security, to the extent customary, against the risks or hazards to which it may be subjected.

All monies received under policies covering payment of insured losses shall be applied to restoration of the security or to the unpaid balance of the loan.

Section 1.038. Second Loan. The Act provides: "For either one of the purposes set forth in section one of this act, no veteran shall accept more than one loan under the provisions of this act, regardless of the amount of such loan, except that a veteran who has received a veteran's loan for less than the maximum amount of the loan to which he may be entitled for such purpose under this act, and who is otherwise eligible for a veteran's loan, may apply for and receive a second veteran's loan for such purpose. In such application the veteran shall disclose that it is for a second veteran's loan for such purpose, and the bank making such loan shall make certain that any unpaid portion of the first loan is paid in full, both as to principal and interest, from the proceeds of such second veteran's loan. In no event shall any veteran receive more than four veterans' loans under the provisions of this act, of which not more than two, totalling not more than three thousand dollars (\$3,000.00), shall be for the purpose of establishing or reestablishing himself in a business or profession, and not more than two, totalling not more than one thousand dollars (\$1,000.00) shall be for the purpose of financing the purchase of specific household furnishings or household appliances, or both, required by him for use in his home.

Section 1.039. Pre-Payments. The Act provides that: "A loan may be reduced at any time in the option of the borrower." The bank shall notify the Authority of any pre-payment of the whole or of any part of the unpaid balance of principal within thirty days after the same is made. Such notice to the Authority shall contain:

- a. The veteran's loan number.
- b. The amount of the payment, showing the amount credited to principal and the amount credited to interest.
- c. The date of the payment.
- d. The unpaid balance of principal.

Section 1.040. Payment of Interest to the Authority. The Act provides that: "Every bank which has made or which may hereafter make any approved veteran's loan or loans shall, in consideration of the guaranty or insurance, as herein provided, pay to the authority an amount equal to ten per centum (10%) of all interest received by it on all such loans, to be payable at such time or times and in such manner as the authority may prescribe." Payments of such interest to the Authority shall be made on March first and September first in each year. Payments due on March first in each year shall consist of 10% of all interest received on such loans for the six-month period ending January first next preceding, and payments due on September first in each year shall consist of 10% of all interest received on such loans for the six-month period ending July first next preceding.

Section 1.041. Election of Guaranty or Insurance.

a. Original Election: The Act provides: "Every bank which heretofore made any veteran's loan under and pursuant to the provisions of chapter one hundred twenty-six of the laws of one thousand nine hundred and forty-four and every bank which may hereafter make its initial veteran's loan shall elect, prior to the first day of July, one thousand nine hundred and forty-five, or simultaneously with the submission for approval of its initial veteran's loan, whichever is later, to have all veterans' loans made and to be made by such bank either insured in accordance with the provisions of section nine hereof or guaranteed in accordance with the provisions of section ten hereof. Notice of such election shall be made on such form as the commissioner shall prescribe." Form DED-VLA-14 (insurance) or DEF-VLA-15 (guaranty), whichever the case may be, is required to be used in the making of such election.

b. Change from Guaranty to Insurance Plan: Any bank which heretofore elected to have its approved veterans' loans guaranteed by the Veterans Loan Authority, in accordance with the provisions of Section 10 of Chapter 185 of the Laws of 1945, may at any time elect to have all of its approved veterans' loans outstanding at such time and all approved veterans' loans thereafter to be made by it, insured in accordance with the provisions of Section 9 of Chapter 185 of the Laws of 1945. Form DED-VLA-26 is required to be used in the making of such election.

Section 1.042. Defaults - Generally. Whenever, pursuant to the provisions of any veteran's note, the entire unpaid balance of the principal sum thereof shall become due and payable at the option of the bank, then, at the time of the exercise by it of such option, the bank shall ELECT EITHER (a) to exercise its rights under and pursuant to the provisions of the Laws of 1945, Chapter 185, Section 9 or 10, whichever said bank may have elected in accordance with the provisions of Section 1.041 hereof, OR (b) to exercise such rights and pursue such remedies as may be otherwise afforded it by law. Upon making such election, the bank shall give written notice thereof to the Authority.

Section 1.043. Defaults - Note Secured by Mortgage or Conditional Sales Contract. In any case where a veteran's note is secured by a chattel mortgage or a real property mortgage or a conditional sales contract, when-ever pursuant to the provisions of said note and/or mortgage or conditional sales contract the entire unpaid balance of the principal sum thereof shall become due and payable at the option of the bank, then, at the time of the exercise by it of such option, the bank shall ELECT EITHER (a) to exercise its rights under and pursuant to the provisions of the Laws of 1945, Chapter 185, Section 9 or 10, whichever said bank may have elected in accordance with the provisions of Section 1.041 hereof, OR (b) to exercise such rights and pursue such remedies as may be otherwise afforded it by said mortgage or conditional sales contract, or by law. Upon making such election, the bank shall give written notice thereof to the Authority.

In the event that the bank shall elect to exercise its rights under and pursuant to the provisions of the Laws of 1945, Chapter 185, Section 9 or 10, as aforesaid, then simultaneously with the purchase of the promissory note by the Veterans Loan Authority in accordance with the terms

of said section the bank shall assign the mortgage or conditional sales contract together with all of its rights, privileges and remedies thereunder to the Veterans Loan Authority.

Section 1.044. Defaults - Note Unpaid for Thirty Days After Maturity.

Whenever any veteran's note remains unpaid for thirty days after maturity thereof then, at the expiration of said thirty-day period, the bank shall ELECT EITHER (a) to exercise its rights under and pursuant to the provisions of the Laws of 1945, Chapter 185, Section 9 or 10, whichever said bank may have elected in accordance with the provisions of Section 1.041 hereof, OR (b) to exercise such rights and pursue such remedies as may be otherwise afforded it by law or by any mortgage or conditional sales contract which may have been made to secure the payment of the loan evidenced by said note. Upon making such election, the bank shall give written notice thereof to the Authority.

In the event that the bank shall elect to exercise its rights under and pursuant to the provisions of the Laws of 1945, Chapter 185, Section 9 or 10, as aforesaid, if any mortgage or conditional sales contract was made to secure the payment of the loan evidenced by said note, then simultaneously with the purchase of the promissory note by the Veterans Loan Authority in accordance with the terms of such section, the bank shall assign such mortgage or conditional sales contract together with all of its rights, privileges and remedies thereunder to the Veterans Loan Authority.

Section 1.045. Notice of Election on Default. The written notice by the bank to the Authority referred to in Sections 1.042, 1.043, and 1.044 of these regulations shall contain:

- a. The nature of the default.
- b. The veteran's loan number.
- c. The unpaid balance of principal.
- d. The amount of accrued interest then due and owing on the note
- e. The name and last known address of the debtor.
- f. A statement that the bank elects to exercise its rights under the guaranty or insurance, whichever may be applicable to said bank, or to exercise such rights and pursue such remedies as may be otherwise afforded it by law and/or mortgage or conditional sales contract, if any.

Section 1.046. Payment Under the Guaranty Plan. Upon the purchase by the Authority of any defaulted note, payment whereof was guaranteed pursuant to the provisions of the Act, the Authority shall pay to the bank an amount equal to ninety per cent (90%) of the unpaid principal of such note from such reserves as are set aside by the Authority, out of the Veterans Loan Guaranty and Insurance Fund, to meet any such payment.

Section 1.047. Payment Under the Insurance Plan. For each bank electing to have its veterans' loans insured by the Authority, the Authority shall set aside to the credit of said bank a reserve fund equal to twenty per cent (20%) of the total face amount of all of such bank's approved veterans'

loans outstanding at the time of such election. The Authority will add to such reserve fund twenty per cent (20%) of the amount of each approved veteran's loan thereafter made by such bank. If the total of all amounts credited to such reserve fund shall at any time be in excess of the total face amount of all of such bank's approved veterans' loans outstanding at such time, then the Authority shall withdraw such excess amount from said reserve fund.

Upon the purchase by the Authority of any defaulted note, insured in accordance with the provisions of the Act, the Authority shall pay to the bank, out of the reserve fund set aside to its credit, the total amount of principal and interest then due and owing to the bank on said note. In no event shall payment be made by the Authority in excess of the amount then remaining to the credit of said bank in the reserve fund set aside for it.

Section 1.048. Election Not to Proceed Under Guaranty or Insurance - Effect. Whenever, pursuant to the provisions of Sections 1.042, 1.043, or 1.044 hereof, any bank shall, with respect to any veteran's note, elect to exercise such rights and pursue such remedies as may be otherwise afforded it by law or by any mortgage or conditional sales contract which may have been made to secure the loan evidenced by such note, then the guaranty or insurance on the loan evidenced by such note shall terminate as of the date of such election. Such bank shall not be required to pay to the Authority any part of any interest which may accrue on such loan after the date of such election and be received by said bank.

If such loan was insured under the provisions of Section 9 of Chapter 185 of the Laws of 1945, then for the purpose of determining from time to time the total face amount of all of such bank's approved veterans' loans outstanding, as required under said section and under Section 1.047 hereof, such loan shall not be deemed an approved veteran's loan outstanding.

Section 1.049. Default in Payment of Any Installment - Notice. Within thirty-two days after the occurrence of any default in the payment of any installment under any veteran's loan contract, the bank shall, in writing, notify the Authority of such default. Such notice shall contain:

- a. The veteran's loan number.
- b. The due date of the installment in default.
- c. The amount of the installment in default.
- d. The unpaid balance of principal.
- e. The name and last known address of the debtor.

Section 1.050. Bank Records - Reports. Each bank shall maintain a record of the amounts of payments received by it on each of its veterans' loans, and the dates of such payments.

On or before March 31st, June 30th, Sept. 30th and Dec. 31st in each year each bank shall submit to the Authority a written statement setting forth:

- a. Each of its veteran's loans (identified by loan number) outstanding at any time during the three-month period involved.

b. The amount of interest received by it on such loan during such period; and

c. The amount of principal received by it on such loan during such period; and

d. The unpaid balance of principal of such loan.

Section 1.051. Every veteran's loan shall be subject to the provisions of the Act and to the foregoing regulations as herein indicated.

Section 1.052. Any and all prior regulations, or parts thereof, inconsistent with any of the provisions hereof are hereby repealed.

Section 1.053. The foregoing regulations shall take effect immediately.

Veterans Loan Authority
Department of Conservation and
Economic Development

Dated: July 3, 1946
Reprinted Oct. 15, 1954

By: Joseph E. McLean
JOSEPH E. McLEAN
Commissioner

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REGULATIONS SUPPLEMENTARY TO
REGULATIONS UNDER THE VETERANS' LOAN ACT (1944)

The following Regulations shall supplement the Regulations Under the Veterans' Loan Act (1944) issued on July 3, 1946 by the Veterans Loan Authority of the Department of Economic Development.

Section 1.001 A - Supplementary Definitions: In addition to the meanings prescribed therefor in Section 1.001 of the Regulations Under the Veterans' Loan Act (1944), issued on July 3, 1946 by the Veterans Loan Authority of the Department of Economic Development, as used in such Regulations and in the supplements thereto contained herein:

- (1) The term "Bank" and "Lender" mean any financial corporation authorized to make loans to veterans under and pursuant to the provisions of the Veterans' Loan Act (1944), (L. 1944, c. 126 as amended and supplemented by L. 1945, c. 185, L. 1946, c. 121, and L. 1947, c. 190).
- (2) The term "Act" means the Veterans' Loan Act (1944), (L. 1944, c. 126 as amended and supplemented by L. 1945, c. 185, L. 1946, c. 121, and L. 1947, c. 190).
- (3) The terms "Veteran" and "Borrower" mean any person defined as a veteran in Section 7 of Chapter 126 of the Laws of 1944 who: (a) had been inducted into the military or naval service therein referred to from the State of New Jersey, or (b) has resided in the State of New Jersey for at least one year prior to the date of filing his application for a loan under the Veterans' Loan Act (1944).
- (4) The term "Veteran's Loan" means any approved loan heretofore or hereafter made under and pursuant to the provisions of the Veterans' Loan Act (1944), (L. 1944, c. 126 as amended and supplemented by L. 1945, c. 185, L. 1946, c. 121, and L. 1947, c. 190).

Section 1.004 A - Household Furnishings Loans: Subsection "b" of Section 1.004 of the Regulations to which this Regulation is supplementary is hereby repealed.

Application for household furnishings loans shall not be required to be referred to business counselors for their approval or disapproval. In all other respects the procedure for processing such applications shall conform to the requirements set forth in Part II of the Regulations to which this Regulation is supplementary.

Section 1.010 A - Pledge of Corporate Stock: In any case where the proceeds of a veteran's business loan is used for the acquisition by the veteran of an interest (majority or minority) in a business corporation organized and existing under and by virtue of the Laws of the State of New Jersey, the bank making the loan shall, in addition to the requirements with respect thereto set forth in the Regulations to which this Regulation is supplementary, make certain that the certificates of stock acquired by the veteran with the proceeds of such loan are pledged by him to the bank making the loan as security for the repayment of said loan.

Section 1.012 A - Waiver of Endorsement by Spouse: Upon good cause therefor being indicated in a written application by the bank to the Veterans Loan Authority, the Authority may, in writing, waive the requirement contained in the Regulations to which this Regulation is supplementary, that the promissory note of the veteran be endorsed by his or her spouse.

Section 1.015 A - Mortgages - Improvement of Property: When a business loan, or any part thereof, is made to finance the improvement of any property to be used in the business or profession, a mortgage on such property securing the amount of the loan is required. The appropriate Veterans Loan Authority form of mortgage shall be used. The bank making the loan shall cause such mortgage to be duly recorded in the proper county office.

Section 1.015 B - Mortgages - Partnership: When a business loan, or any part thereof, is made to finance the purchase or improvement of any property to be used in a business or profession to be conducted as a co-partnership, a mortgage on such property securing the amount of the loan is required. In all such cases the appropriate Veterans Loan Authority form of chattel or real property mortgage shall be used. Every such mortgage is required to be made and executed by all of the partners in the business or profession, individually and as co-partners doing business under their trade name.

Section 1.019 A - Transfer of Title - Approval Required: No conveyance or other transfer of a veteran's interest in a business, or in other property, real, personal or mixed, which has been acquired wholly or in part with the proceeds of a guaranteed or insured business loan, shall be made unless written approval thereto is given by the Veterans Loan Authority.

The foregoing Regulations shall take effect immediately.

Veterans Loan Authority
State Department of Conservation
and Economic Development

By: Joseph E. McLean
JOSEPH E. McLEAN, COMMISSIONER

Dated: July 1, 1947
Reprinted Oct. 15, 1954

REGULATIONS SUPPLEMENTARY TO
REGULATIONS UNDER THE VETERANS' LOAN ACT (1944)

Section 1.015 of the old Regulations is revoked, and in place thereof, the following Regulation, which will bear the same number, namely 1.015, is substituted therefor.

"Section 1.015, Mortgages - Generally. When a business loan, or any part thereof, is made to finance the purchase of any specific property to be used in the veteran's business or profession, a mortgage on such property securing the amount of the loan is required. In all such cases the appropriate Veterans Loan Authority form of chattel or real property mortgage shall be used.

Whenever any mortgage is required to be made pursuant to the provisions of this section, the bank making the loan shall cause such mortgage to be duly recorded in the proper county office."

This change will become effective immediately. Please amend your Regulations accordingly.

Joseph E. McLean

JOSEPH E. McLEAN, Commissioner
State Department of Conservation
and Economic Development, Constituting
the Veterans Loan Authority

Dated Sept. 21, 1948
Reprinted Oct. 15, 1954

REGULATIONS SUPPLEMENTARY TO
REGULATIONS UNDER THE VETERANS' LOAN ACT (1944)

Pursuant to the authority vested in me under the Veterans' Loan Act, I hereby make the following changes in the Regulations of the Veterans' Loan Authority as hereinafter set forth:

Section 1.002 of Regulations of the Veterans' Loan Authority is hereby amended to read as follows:

Section 1.002. Forms. Application for a business loans under the Act shall be made on Form DED-VLA-1. Application for a household furnishings loan under the Act shall be made on Form DED-VLA-23. All questions on these forms must be answered. Such forms shall be completed and executed in duplicate. Applications for loans may be obtained from the Veterans' Loan Authority, banks and other sources. Where such application is obtained from a source other than a bank from whom the loan will be requested, the application shall be forwarded forthwith to the bank together with any necessary accompanying papers.

Subsection (b) of Section 1.004 of Regulations of the Veterans Loan Authority is hereby repealed and there is substituted in its place the following subsection designated 1.004 (b):

Section 1.004 (b). Applications for household furnishings loans shall not be referred to Business Counsellors for their approval or disapproval. On receipt of such application, the bank shall determine whether to approve or disapprove the making of the loan. It shall indicate its approval or disapproval on the application form. No loan shall be approved by the bank if, at the time of the application, the applicant has entered into a contract to purchase specific household furnishings from a furniture store unless the contract of purchase shall specifically state that it is conditioned on the approval of the loan by the bank and the Veterans' Loan Authority and, in the event of disapproval, said contract will be null and void and all monies paid by the applicant, including the service charge payable to the bank pursuant to the Veterans' Loan Act, will be returned to the applicant. In connection with each application, the bank shall make the following determinations:

1. That the purpose of the loan is to finance purchase by the applicant of specific household furnishings or appliances, or both, required by the applicant for use in his home. This determination may be based on an affidavit executed by the applicant. If, at the time of the application, an applicant has entered into a contract to purchase property subject to the approval of loan, there should be attached to the application to be submitted to the Authority a copy of the store's invoice itemizing the prices for and the specific items to be purchased.
2. That the amount of the loan does not exceed the reasonable market value of the property to be purchased; namely, the prevailing price in the community. (This may be based on a certification by the store to the bank and submitted together with application and other accompanying papers to the Veterans' Loan Authority.)

3. That the applicant is financially able to successfully liquidate the loan in accordance with its terms. (This determination shall be considered as having been made when the bank approves the application prior to submission to the Authority.) The bank shall forward to the Authority with the application a report concerning the credit of the applicant. This report shall be obtained from a reputable credit reporting company and the cost of said report shall not be charged to the applicant either directly or indirectly.

Section 1.006 of Regulations of the Veterans' Loan Authority is hereby amended to read as follows:

Section 1.006. Transmission of Application--Decision by Bank--
Exceptions. The bank shall indicate its approval or disapproval in the space provided on both the original and duplicate application forms and forward both copies to the Authority, 205 West State Street, Trenton, New Jersey. In case of business loans, the bank shall first obtain the approval or disapproval of the Business Counsellor; in the event that the bank and the counsellor disagree as to approval or rejection of the application, the bank will annex to the application and forward to the Authority a statement setting forth its reasons for approval or disapproval, together with the Business Counsellor's statement of approval or disapproval. In case of household loans, the bank will not approve an application where:

- (a) The furniture store from whom the household property will be or is being purchased advertises:
 - (1) No down payment for veterans (unless the advertisement states that World War II veterans can finance purchase of household property by a veteran's loan which is subject to the approval of the Veterans' Loan Authority of the State of New Jersey);
 - (2) That there is included in the sale of household furnishings or equipment to veterans a television set;
 - (3) That a purchase will entitle the veteran to a bonus or prize or some merchandise without cost.
- (b) The following practices exist in the sale of household property to veterans by furniture stores (the practices hereinafter set forth are prohibited in connection with these loans):
 - (1) Tie-in sales of television sets with household property to be financed with proceeds of loan;
 - (2) Bonus, prize or merchandise without cost to applicant in connection with sale to be financed with proceeds of loan;
 - (3) Delivery of the household property, furnishings or equipment prior to the approval of the loan by the Veterans' Loan Authority and execution of the note by the applicant. (After approval of the loan by the Authority, the applicant will execute a note evidencing same in the presence of an official or employee of the bank);

- (4) Tie-in of furniture store and insurance company or broker. (Statements by furniture store that special G.I. insurance is available or that applicant must deal with a particular insurance company or broker to obtain required insurance are prohibited. Insurance should only be effected after approval of loan by the Authority and can be obtained from any reputable insurance company or broker);
- (5) Misrepresentation in sale to applicant. The term "misrepresentation" shall include but is not limited to misstatements as to rate of interest and value or condition of the household property. (Statements that imply furniture store has been approved by the Authority or has any direct connections with it are prohibited. If the household property is repossessed or used, the contract of purchase shall so state; failure to so state shall be deemed a representation that the particular household property is new);
- (6) Applicant is charged for storage or handling charges prior to execution of note;
- (7) Applicant cannot cancel sale prior to execution of note. (No note shall be executed by applicant prior to approval of application by the Veterans' Loan Authority; and any sale to be financed by the proceeds of said note may be voided at the option of either party prior thereto.)

Section 1.043 is hereby repealed and the following sections are substituted in lieu thereof:

Section 1.043 (a). Defaults-Secured Note. Where a veteran's note is secured by a chattel mortgage, real property mortgage, conditional sales contract, pledge or any other form of security and pursuant to the provisions of said note and the agreement in connection with said security, the entire unpaid balance of the principal sum thereof shall become due and payable at the option of the bank, then, at the time of the exercise by it of such option, the bank shall ELECT EITHER (a) to exercise its rights under and pursuant to the provisions of the laws of 1945, Chapter 185, Section 9 or 10, whichever said bank may have elected in accordance with the provisions of Section 1.041 hereof, OR (b) to exercise such rights and pursue such remedies as may be otherwise afforded it by said mortgage, conditional sales contract, pledge or any other form of security, or by law. The bank shall give written notice of such election to the Authority.

Section 1.043 (b). Repossessions or Foreclosures--Secured Note. Where a veteran's loan (business or household) secured by a chattel mortgage, real property mortgage, conditional sales contract, pledge or any other form of security, is in default or any proceedings have been instituted which will in any way affect the security of any such loan, the bank shall immediately notify the Veterans' Loan Authority in writing of such default or proceeding, setting forth all facts concerning same. If the Authority determines it is necessary to proceed with the repossession of the chattels or security included in the lien, or with the foreclosure of said lien, it will so notify the bank and will designate the person to handle the repossession or foreclosure. The person so designated shall proceed

with the repossession or foreclosure; and remit the proceeds of any such sale, less his fees and costs, to the bank which shall credit the veteran's note with the net amount so received. The person conducting the repossession or foreclosure shall report in writing to the Authority and send a copy of said report to the bank. The method of repossession, foreclosure or sale and fees allowed shall be determined by the Authority. The designation by the Veterans' Loan Authority of a person to conduct repossession, foreclosure or sale, pursuant to the provisions of this section, shall not be considered a determination by it that the insurance or guaranty of the loan is valid and effective. This will be determine at the time a formal request is made by the bank to the Authority for payment pursuant to the Veterans' Loan Act and these regulations; however, no request for such payment will be considered prior to repossession, foreclosure or sale of the chattels or lien. The provisions of this regulation may be waived by the Authority in particular cases; said waiver must be in writing and signed by an authorized official of the Authority. In the event that the provisions of this section are waived in writing by the Authority and the bank elects to exercise its rights, pursuant to regulation 1.043 (a), then and in that event simultaneously with the purchase of the note by the Authority, in accordance with the provisions of the Veterans' Loan Act and these regulations, the bank shall effectively assign the mortgage, conditional sales contract, pledge or other security to the Authority.

The foregoing regulations shall take effect immediately.

VETERANS' LOAN AUTHORITY
Department of Conservation &
Economic Development

By Joseph E. McLean
JOSEPH E. McLEAN
Commissioner

Dated: December 1, 1950
Reprinted Oct. 15th, 1954

REGULATIONS SUPPLEMENTARY TO
REGULATIONS UNDER THE VETERANS' LOAN ACT (1944)

Pursuant to the authority vested in me under the Veterans' Loan Act, I hereby make the following changes in the Regulations of the Veterans' Loan Authority as hereinafter set forth:

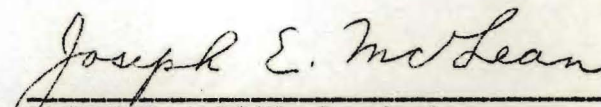
Section 1.016 of the Regulations governing the Veterans' Loan Act is hereby amended to read as follows:

Section 1.016 Loans for the purchase of a Motor Vehicle.

No Business Loan shall be approved, the purpose of which shall be to use all or any part of the proceeds of such loan for the purchase of a motor vehicle or motor vehicles, unless proof to the satisfaction of the Commissioner is submitted that said motor vehicle or motor vehicles is or are necessary to, and will be used in the operation of, a proposed business or profession of the Veteran, or in his employment provided said employment is completely on a commission basis.

When a loan is granted as hereinabove provided the following procedure shall be followed:

- a. The veteran shall execute a chattel mortgage covering such motor vehicle, and securing the amount of the loan, on form DED-VLA-10 or DED-VLA-10A, as the case may be. The bank shall then cause such mortgage to be duly recorded in the proper county office.
- b. In addition to the above, the bank shall require that there appear, on the proper New Jersey Department of Motor Vehicles form, a notation that there exists, against such motor vehicle, the lien created by such mortgage.
- c. The veteran shall execute an affidavit stating that the motor vehicle or motor vehicles is or are necessary to, and will be used in, the operation of the proposed business or profession or in his employment; and that said employment is completely on a commission basis.


JOSEPH E. McLEAN, Commissioner
State Department of Conservation
and Economic Development, Constituting
the Veterans Loan Authority

Dated Jan. 31, 1951
Reprinted Oct. 15, 1954

REGULATIONS SUPPLEMENTARY TO
REGULATIONS UNDER THE VETERANS' LOAN ACT (1944)

Pursuant to the authority vested in me under the Veterans Loan Act, I hereby make the following changes in the Regulations of the Veterans Loan Authority:

Section 1.033 of Regulations of the Veterans Loan Authority is hereby amended to read as follows:

Section 1.033. Time Limit for Making Loans. The following time limits shall apply in connection with loans and applications for loans:

(a) With respect to veterans who have or shall have served in the active military or naval service of the United States at any time after September sixteenth, one thousand nine hundred and forty and prior to December thirty-first, one thousand nine hundred and forty-six, no application for a loan will be considered unless such veteran has submitted the application to the bank not later than June thirtieth, one thousand nine hundred and fifty-one, and the application on its face shall show the date when submitted. No such application of any such veteran shall be accepted by the Authority from the bank after July tenth, one thousand nine hundred and fifty-one and no loan in connection therewith shall be made pursuant to these regulations and the Veterans Loan Act after August tenth, one thousand nine hundred and fifty-one. If any such loan is not completed by August tenth, one thousand nine hundred and fifty-one, the application therefor shall be ineffective and the Authority's approval of said application shall be void. No extensions in connection with the making of any such loan or application therefor shall be effective beyond August tenth, one thousand nine hundred and fifty-one, and any extensions heretofore granted relating to such loans or applications for such loans, anything to the contrary notwithstanding, shall be deemed to have expired on August tenth, one thousand nine hundred and fifty-one.

(b) With respect to veterans who have or shall have served in the active military or naval service in the United States at any time after June twenty-third, one thousand nine hundred and fifty, and prior to December sixteenth, one thousand nine hundred and fifty, or during a period of national emergency, which is defined to mean the existence of a national emergency as proclaimed by the President of the United States on December sixteenth, one thousand nine hundred and fifty, and including the period of time following such proclamation and until the termination, suspension or revocation thereof, or termination of the existence of such national emergency by appropriate action of the President or Congress of the United States, no application for a loan shall be accepted by a bank from any such veteran later than two years after his discharge or release from such active service. Such loan shall be made by the bank within ninety (90) days from the date of receipt of the approved application. If the loan is not made within the ninety (90) days time period, the application shall be deemed withdrawn. Execution of a new application will then be required. The Commissioner may, on request by the bank in case of extenuating circumstances, extend the time for making such loan; however, in no event shall such extension be later than two months beyond the two year period above set forth.

The above regulation as amended is hereby approved this 31st day of May 1951

Joseph E. McLean

JOSEPH E. McLEAN, Commissioner
State Department of Conservation
and Economic Development, Constituting
the Veterans Loan Authority

REGULATIONS SUPPLEMENTARY TO
REGULATIONS UNDER THE VETERANS' LOAN ACT (1944)

Pursuant to the authority vested in me under the Veterans' Loan Act, I hereby make the following changes in the Regulations of the Veterans' Loan Authority as hereinafter set forth:

Section 1.002 of Regulations of the Veterans' Loan Authority is hereby amended to read as follows:

Section 1.002. Forms. Application for a business loan under the Act shall be made on Form DED-VLA-1. Application for a household furnishings loan under the Act shall be made on Form DED-VLA-23. All questions on these forms must be answered. Such forms shall be completed and executed in duplicate. Applications for loans may be obtained from the Veterans' Loan Authority and banks.

Section 1.006 of Regulations of the Veterans' Loan Authority is hereby amended to read as follows:

Section 1.006. Transmission of Application-Decision by Bank -- Exceptions. The bank shall indicate its approval or disapproval in the space provided on both the original and duplicate application forms and forward both copies to the Authority, 205 West State Street, Trenton, New Jersey. In case of business loans, the bank shall first obtain the approval or disapproval of the Business Counsellor; in the event that the bank and the counsellor disagree as to approval or rejection of the application, the bank will annex to the application and forward to the Authority a statement setting forth its reasons for approval or disapproval, together with the Business Counsellor's statement of approval or disapproval. In case of household loans, the bank will not approve an application unless it is signed in the presence of an officer or employee of the bank. The bank will not approve a household loan application where:

- (a) The furniture store from whom the household property will be or is being purchased advertises:
 - (1) No down payment for veterans (unless the advertisement states that eligible veterans can finance purchase of household property by a veteran's loan which is subject to the approval of a bank participating in the New Jersey Loan Program and the Veterans' Loan Authority of the State of New Jersey);
 - (2) That there is included in the sale of household furnishings or equipment to veterans a television set;
 - (3) That a purchase will entitle the veteran to a bonus or prize or some merchandise without cost.
- (b) The following practices exist in the sale of household property to veterans by furniture stores (the practices hereinafter set forth are prohibited in connection with these loans):
 - (1) Tie-in sales of television sets with household property to be financed with proceeds of loan;

- (2) Bonus, prize or merchandise without cost to applicant in connection with sale to be financed with proceeds of loan;
 - (3) Delivery of the household property, furnishings or equipment prior to the approval of the loan by the bank and the Veterans' Loan Authority and execution of the note by the applicant. (After approval of the loan by the Authority, the applicant will execute a note evidencing same in the presence of an official or employee of the bank.)
 - (4) Tie-in of furniture store and insurance company or broker. (Statements by furniture store that special G.I. insurance is available or that applicant must deal with a particular insurance company or broker to obtain required insurance are prohibited. Insurance should only be effected after approval of loan by the Authority and can be obtained from any reputable insurance company or broker);
 - (5) Misrepresentation in sale to applicant. The term "misrepresentation" shall include but is not limited to misstatements as to rate of interest and value or condition of the household property. (Statements that imply furniture store has been approved by the Authority or has any direct connections with it are prohibited. If the household property is repossessed or used, the contract of purchase shall so state; failure to so state shall be deemed a representation that the particular household property is new);
 - (6) Applicant is charged for storage or handling charges prior to execution of note;
 - (7) Applicant cannot cancel sale prior to execution of note. No note shall be executed by applicant prior to approval of application by the Veterans' Loan Authority; and any sale to be financed by the proceeds of said note may be voided at the option of either party prior to execution of note.
- (c) The bank may predicate its finding of compliance with the provisions of this section on the basis of affidavits obtained periodically from furniture stores, which shall be signed by a duly authorized officer or owner of said store, and to which shall be attached copies of its advertisements and proposed advertisements, including but not limited to newspaper, radio and television advertising copy, which affidavit shall specifically state that the furniture store has complied with each applicable provisions of this regulation. A copy of said affidavits shall be filed with the Veterans Loan Authority.

The foregoing regulations shall take effect immediately.

VETERANS' LOAN AUTHORITY
Department of Conservation
and Economic Development

Dated: November 5, 1951
Reprinted Oct. 15, 1954

By: Joseph E. McLean
JOSEPH E. McLEAN, Commissioner

WYOMING
MAY 18 1864
J. S. [unclear]

REGULATIONS FOR CO-OPERATION
IN THE STATE EMERGENCY HOUSING PROGRAM FOR VETERANS

The legislature has committed the program of emergency housing for veterans to the Public Housing and Development Authority in the Department of Economic Development. Commissioner Charles R. Erdman, Jr., is the administrator.

The State is proceeding to meet the housing shortage by acquisition or procurement of the needed dwelling units in each of the following ways:

BARRACKS

It will acquire from the F.P.H.A., available army barracks for demolition, transportation and remodeling into dwelling units.

If the municipality desires the reconverted barracks type project, it is requested that the municipality secure estimates from a contractor to demount, transport and re-erect these on sites within the municipality. The administrator will indicate the present location of the barracks and assign to the municipality sufficient units needed by it.

The contractor of the municipality after removal from an army site of the barracks assigned will clean up and rough grade the land from which barracks have been removed.

After receiving the estimates the administrator will agree with the municipality upon the amount of the financial grant and if satisfactory, the contract would be let by the municipality. The administrator will contribute the amount of the contract if on a lump sum basis or the estimate if on a cost plus basis with any overplus to be paid by the municipality.

PREFABRICATED UNITS

Purchase will be made of a suitable number of prefabricated structures, and this will include construction of buildings in volume.

The administrator contemplates that all contracts for prefabricated buildings will be made by the administrator and will provide for the erection and completion of these buildings on the site by the seller of the units or other contractor.

In the prefabricated program the administrator will supply and erect the dwelling units on the sites supplied and connect the utilities to the lead-ins installed by the municipality.

DEMOUNTABLE BUILDINGS

The administrator will also obtain, whenever possible, dwelling units erected elsewhere for demounting and removal here.

Any dwelling units purchased elsewhere for removal here will be handled in the same manner as prefabricated buildings - that is - the administrator will contract for them completed on the sites as selected - the municipality to provide sites and utilities.

CONVERSIONS AND REHABILITATIONS

A further operation will be the rehabilitation of unoccupied dwellings and the conversion of dwellings into more numerous apartments when this can be done under agreement with the owners of such buildings.

With this type of dwelling unit the administrator will make a lease with the owner under which either the administrator, or the owner with approval of the administrator, may undertake the renovation or conversion. The cost of such work is to be borne by the administrator, unless the administrator and the owner shall otherwise agree to divide the same.

The administrator may select an agent to manage the property which agent may be the owner of the project.

All rehabilitation and conversion plans and the estimate cost of the proposed work shall be submitted to and approved by the administrator and no project shall be undertaken which is not so approved.

All mortgagees and other encumbrancers of lands or buildings or both included in any project must agree not to enforce such lien during the use of any such property by the State under this program provided, however, that all interest and taxes shall be discharged promptly out of the rents so as not to impair the security of any such lien.

Municipalities will be permitted to make a selection, however, the administrator will allot to each community the class of units available in such numbers as he shall find appropriate.

Contractors will expect sewer, water, gas and electricity to be brought within four feet of each building. This will be the responsibility of the municipality.

When any units have been assigned in which the administrator will do the contracting he will notify the municipality of the name and address of the contractor. The municipality will then contact the contractor.

The administrator must be satisfied as to the ownership or right of possession of any site, land, or building accepted for emergency housing.

The administrator may deal with any municipality or owner at variance with these regulations whenever he deems it desirable so to do in the best interests of the State program. Such variance shall not be retroactive so as to extend to any other project undertaken by the administrator.

MUNICIPAL CO-OPERATION

The co-operation of those municipalities where a shortage of safe and sanitary dwellings exists is invited on the basis of these regulations.

The municipality through its mayor or chairman should survey the needs of its veterans and make known to the administrator the emergent needs of the community. Requests should be made only for such dwelling units as will fill the emergent need.

The cost to municipalities for the emergent housing program constitutes for the most part, the installation of utilities, streets, sidewalks, grading and landscaping. This usually totals about 25% of the total cost. Credit will be allowed for utilities and facilities in place.

Experience indicates that the cost of each project to the State is approximately 75% of the cost of the completed project including utilities, etc.

Municipalities requesting housing will be expected to provide:-

Adequate and acceptable sites (about 50' x 100' in size for each dwelling unit) deemed suitable by the administrator.

Such sites shall be improved with, or the municipality shall undertake to provide the following improvements:-

Necessary and adequate access streets or roads to such site or sites, and such off-street parking areas as are deemed necessary;

Adequate streets, together with sidewalks along such streets, within the boundaries of the sites and access walks to the dwelling units.

Extension of all necessary utilities (including sanitary and storm sewers, water, electricity and gas) to within four feet of the foundation of each dwelling unit to be erected on the site;

All necessary grading.

The municipality shall furnish the following technical services and plans and drawings:-

A topographical survey.

Detailed site or plat plan showing the location of buildings and all utilities connections to be made with utility systems.

Engineering services in connection with staking and laying out of building locations, utility lines, and other similar services necessary to complete the project.

Grading plans around buildings.

"As built" drawings upon the completion of the project.

RENTS AND MANAGEMENT

The municipality of the management agent of any project financed in whole or in part by the State shall rent the same to eligible veterans and servicemen and their families according to regulations promulgated by the administrator.

Rents in conformance with O.P.A. regulations, if any, will be fixed by agreement between the administrator and municipality and arrangements made to have the municipality act as manager or secure a local manager to act as agent. All managers shall be bonded.

The first charge on rents will be all necessary and normal expenses for the management and operation of the project. The second charge will be payments to the municipality for municipal services.

The costs of operation shall be as per a formulae agreed upon between the owner and the administrator and all net rents shall be divided as so agreed.

Accounts and reports shall be made from time to time as required by the administrator,

The administrator may order at reasonable times such audit or audits as he shall deem desirable.

DISPOSAL OF UNITS

At the expiration of the emergency period the administrator may dispose of and remove the installations on such terms as he shall select. The State will clean up and rough grade the land.

If the land and installation is sold for permanent residential purposes the proceeds will be divided between the State and the municipality in proportions determined by the amount each party has invested in the project including the value of the site and utilities.

As to rehabilitations and conversions, improvements installed may be removed provided this can be done without injuring the premises and all shall be left in good condition. Where no building code or zoning ordinance is violated, the State will make a satisfactory arrangement with the owner to sell the installations to the owner.

All dwelling units prefabricated or otherwise, and all conversions which at the end of the emergency shall violate any building code or local zoning ordinance or any State Tenement House Law or regulation will be dismantled and removed by the State or under its authority.

11-15-46

CHARLES R. ERDMAN, Jr.
Administrator

Approved by:
Economic Council
Dept. of Economic Dev.

SECTION 1

The purpose of this section is to provide for the removal of any building which is in violation of any building code or local zoning ordinance or any State Tenement House Law or regulation at the end of the emergency.

It is the policy of the State to provide for the removal of any building which is in violation of any building code or local zoning ordinance or any State Tenement House Law or regulation at the end of the emergency.

The State shall have the right to remove any building which is in violation of any building code or local zoning ordinance or any State Tenement House Law or regulation at the end of the emergency.

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SECTION 2

It is the policy of the State to provide for the removal of any building which is in violation of any building code or local zoning ordinance or any State Tenement House Law or regulation at the end of the emergency.

The State shall have the right to remove any building which is in violation of any building code or local zoning ordinance or any State Tenement House Law or regulation at the end of the emergency.

The State shall have the right to remove any building which is in violation of any building code or local zoning ordinance or any State Tenement House Law or regulation at the end of the emergency.

H-2

REGULATIONS CONCERNING MANAGEMENT, OPERATION AND MAINTENANCE OF EMERGENCY AND TEMPORARY HOUSING PROJECTS PROMULGATED BY THE ADMINISTRATION OF THE PUBLIC HOUSING AND DEVELOPMENT AUTHORITY IN THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND APPROVED BY THE ECONOMIC COUNCIL OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT.

1. Definition of terms.

- A. "Authority" means the Public Housing and Development Authority in the State Department of Economic Development.
- B. "Administrator" means the administrator of the Public Housing and Development Authority, who is the Commissioner of the Department of Economic Development.
- C. "Municipality" means any city of any class or any Borough, Village, Town, Township, or other municipality other than a county or school district.
- D. "Agent" means managing agent in charge of management, operation and maintenance of emergency housing project and may include as the case may be municipalities or any agency thereof, any other public agency or public corporation, private firms, corporation, or individuals and employees of the authority.
- E. "Veteran" means a person who has served in the military or naval forces of the United States in World War II and who has been discharged therefrom under conditions other than dishonorable having served ninety days or more.
- F. "Serviceman" means any person of any rank (enlisted or officer) who is now serving in the military and naval forces (Army, Navy, Marine Corps or Coast Guard) for the United States.
- G. "Families of Veterans or Servicemen" means a natural family consisting of family head and one or more persons related to the head by blood, marriage, or adoption; it includes no other association of persons. Same shall be considered families of veterans or servicemen when
 1. Veteran or serviceman is living with family.
 2. Veteran or serviceman is natural family head or principal wage earner but temporarily absent by reason of duty assignment - employment - school attendance or hospitalization.
 3. Veteran or serviceman natural family head is permanently absent from by reason of death (during or subsequent to military or naval services) divorce, separation, desertion or permanent hospitalization (remarriage of widow, widower, or divorced spouse of veteran or serviceman shall terminate that person's status as his or her family).
- H. "Distressed Families" are families which are:
 1. Without house of any kind for themselves and family in locality.
 2. Living in quarters not designed for family occupancy (example, no cooking facilities).
 3. Are about to be evicted.
 4. Are living doubled up with another family and wish to establish own household.
 5. Present dwelling totally unsatisfactory for family use because of some unusual hardship affecting same.

- I. "Non-distressed Families" are families which are:
 1. Living in substandard house and simply wish to find better place to live.
 2. Desire to reduce amount of rent upon moving into project where rent is less.
2. Persons will be admitted to occupancy in the following order of eligibility.
 - A. Distressed veterans or families of veteran
 - B. Distressed servicemen or families of servicemen
 - C. Distressed families of non-veterans or servicemen
 - D. Non-distressed veterans or families of veterans
 - E. Non-distressed servicemen or families of servicemen
 - F. Non-distressed families other than veterans or servicemen

There shall be no discrimination against any person because of race, creed, color, national origin or ancestry.

No person shall be admitted to occupancy in any project except with a prior approval and unless he shall have signed a written lease.

The Administrator will furnish on request of the agent uniform leases for use in all projects.

Selection of tenants among those eligible who are in equal degree of distress will be the responsibility of the agent in charge.

It is recommended that in the selection of tenants the agent consult with the local veteran's committee, if any exist in the municipality.

It is recommended that all distressed veterans, servicemen and others and their families be rated according to distress and need by an accepted rating system similar to that employed by local housing authorities and that those in the worst degree of distress received first consideration.

3. The agent may serve notices of eviction upon occupants of the project in the name of the Administrator, and may institute and prosecute proceedings to recover possession of the premises or any part thereof and sue for and recover rent or comprise such actions in the name of the Administrator.

4. The agent designated, shall do all things necessary to keep the premises in good repair or incidental to the proper management, operation and maintenance of the project including but not limited to the following:

- A. All rents shall be payable on the first day of each month in advance.
- B. Collect promptly all rents from occupants of project as fixed and set forth in schedules approved for each unit.
- C. Subject to budgeted item #7 engage personnel necessary for management, operation and maintenance.
- D. At least once a week inspect all buildings of project and take immediate steps to remedy any dangerous condition found therein.

E. He shall maintain a complete and separate set of accounting records for the project. Such records shall at all times be open to inspection by the Administrator or his duly authorized representative. The agent will furnish the Administrator copies of such records upon request, and shall remit to the Administrator the net revenue due the state as shown on state income and expense and contracts in connection with project quarter annually.

5. All revenue of the project collected or received by the agent shall be deposited promptly in a special account in a bank in the municipality. The agent will notify the Administrator of the name of such account and of the name and address of the bank in which it is carried.

6. All expenses incurred in connection with the management, operation and maintenance of the project shall be an expense of the project payable by the agent from project funds. No expenses shall be incurred and no contracts shall be awarded by the agent in connection with such management, operation and maintenance in excess of the amount allocated for the classification in the approved budget without the prior approval of the Administrator, except that if necessary because of an emergency and lack of sufficient time to obtain prior written approval of the Administrator, expenditures and contracts aggregating not more than \$75 per unit in any quarter may be made.

7. The agent will prepare and submit to the Administrator in triplicate an annual budget for the operation and maintenance of each project in accordance with the forms below.

All proposed budgets must receive the approval of the Administrator before becoming effective.

The agent will keep and maintain a uniform system of accounts as shall be prescribed by the Administrator, and render such reports, and statements of conditions and operations as may be from time to time requested by the Administrator.

Budget For Fiscal Year

from _____ to _____

Project _____
 Location _____
 Name of Municipality _____ County _____
 Number of Units _____

Income	Average per year	Average per month
1. Dwelling rent income as per agreed schedule		
2. Other receipts, if any		
3. Total operating income		

Expense	Average per year	Average per month
4. Management 5% of #3		
5. Painting repairs		
6. Plumbing repairs		
7. Electrical repairs		
8. Heating repairs		
9. Range repairs		
10. Heat, if supplied by project		
11. Gas, if supplied by project		
12. Electricity, if supplied by project		
13. Replacements of #6 to 9		
14. Insurance.		
a. Fidelity bond agent		
b. Fidelity bond employee		
c. O.L. and T. Public Liability		
d. Workmen's Compensation		
e. Burglary and robbery		
15. Superintendent if any		
16. Collection losses and vacancies 5% of #3		
17. Payments to municipalities for services and land taxes, if any		
18. Exterminating		
19. Total operating expense		
20. Net operating income or deficit		

8. All installations made by state or financed by it under agreement on sites furnished by municipal bodies shall be and remain the property of the State of New Jersey. The Administrator shall see that all such installations are adequately insured in the name of the State against loss by fire.

The following insurance will be procured by the agent in charge in the name of the State and the municipality as interest may appear.

- A. Agents' fidelity bond unless the project shall be operated by the municipality in which event no bond will be required.
- B. Employees' fidelity bond unless such employee is covered by a municipal bond covering such services.
- C. Owners, landlords, tenants and public liability.
- D. Workmen's compensation.
- E. Burglary and robbery insurance to protect the income of the project while in transit.

Should any part of the project be damaged or destroyed, the agent shall immediately furnish the Administrator with a report in duplicate describing the property so damaged or destroyed and stating further the exact day and hour and the extent thereof, the cause if determinable and the estimate of the cost of repair and such other or further information as may be required by the Administrator. The agent will notify any carrier of insurance promptly of any accident or incident which may result in a loss under its policy and will send a duplicate copy of such notification to the Administrator. All premiums on insurance procured by the agent shall be paid out of rents received.

9. If the agent shall fail, neglect or refuse to comply with these regulations or any additional regulations promulgated by the Administrator with reference to management, operation and maintenance of the housing project, the Administrator then may upon ten days written notice to the agent terminate the agency and appoint another agent to manage, operate and maintain said project.

The agency may be terminated by either the Administrator of the agent upon thirty days notice to the other.

Any notice required to be given to the agent may be sent by ordinary mail addressed to the agent.

In the event any municipal body shall terminate its agency to manage any project the Administrator shall appoint another agent of his selection.

Dated November 1, 1940

Approved by
Economic Council

Pursuant to the authority vested in me by virtue of section 12, Chapter 323, P.L. 1946, as amended and supplemented, the regulations concerning veterans' housing projects, both temporary and permanent, are hereby supplemented in the following respects:

10. Sales of veterans' housing projects, both temporary and permanent, shall be made under the following regulations:

- (a) Temporary projects will be sold by the Administrator or his deputy or his duly authorized representatives at public or private sale on condition that the person purchasing such temporary housing shall remove such housing from the site, level the foundation and rough grade the land, same to be done in accordance with specifications approved by the Administrator, his deputy or his duly authorized representatives. Such sale shall be conducted, subject to the approval of the Director of the Division of Purchase and Property in the Department of the Treasury, or the State House Commission, whichever has the right to approve same under the law as above set forth.
- (b) In connection with permanent housing, the Administrator shall cause said housing to be sold under arrangements mutually agreed upon between him and the municipality in accordance with the provisions of the contract affecting same. Such sale shall be either public or private and shall be subject to approval by the Director of the Division of Purchase and Property in the Department of the Treasury or the State House Commission, whichever agency is authorized to approve same under the State Law. Prior to such sale, the Administrator shall cause the permanent projects to be sold to be appraised, which appraisal shall be made by a qualified person appointed by him for this purpose. The purpose of such appraisal is to ascertain the value of the projects, particularly the amount that can be obtained for same at a sale, notwithstanding any restriction now in effect with regard to rents. The appraisal shall set forth the market value of the project, including the land and facilities. The amount set forth in the appraisal shall constitute the minimum price for which the project shall be sold at either public or private sale,

unless a sale at another price is specifically authorized by the Veterans' Services Council for such project.

- (c) The foregoing regulations may be waived or varied in the case of any specific property or project provided that the Veterans' Services Council shall have previously approved the terms of any such sale.

11. In connection with the sale of permanent projects consisting of one or two detached or semi-detached dwelling units, the following World War II Veterans shall have priority to purchase same at private sale for the minimum price above set forth and notice thereof shall be given to the World War II Veterans concerned, by the Administrator, in accordance with such procedure as he shall deem advisable:

- (a) World War II Veterans occupying said units for the purpose of continuing to occupy same and such veterans shall submit proof to the satisfaction of the Administrator that the units are being purchased for this purpose.
- (b) In the event said World War II Veterans occupying said units shall not avail themselves of the right to purchase within the time limit set by the Administrator, then the privilege of purchasing said units shall also be extended to other World War II Veterans within the municipality. If two or more bids are equal, the property shall be auctioned off to the one offering the most for said unit.

The preference herein granted of purchasing such units shall be limited to World War II Veterans purchasing said units for occupancy by themselves and their families and such World War II Veterans shall be required to submit proof to the satisfaction of the Administrator that said unit or units are being purchased by them for said purpose.

- (c) The contract and deed to World War II Veterans purchasing such units pursuant to the priorities herein set forth shall contain a prohibition against resale of the units by such veterans for a period of one year from the date of purchase.

DATED: September 17, 1952

ADMINISTRATOR OF THE PUBLIC HOUSING
AND DEVELOPMENT AUTHORITY

Charles R. Erdman, Jr.
By: _____
Charles R. Erdman, Jr.
Commissioner of the Department of
Conservation and Economic Development

The above supplement to the rules and regulations concerning veterans' housing projects, both temporary and permanent, is hereby approved.

DATED: September 17, 1952

VETERANS SERVICES COUNCIL

William G. McKinley
By: _____
William G. McKinley
Vice Chairman

Pursuant to the authority vested in me by virtue of Section 12, Chapter 323, P.L. 1946, as amended and supplemented, the regulations concerning veterans' housing projects, both temporary and permanent, are hereby supplemented in the following respects:

12. Extension of contracts in connection with veterans' housing projects shall be subject to the following regulations:

- (a) Contracts in connection with temporary projects will be extended by the Administrator for the period of time requested by the municipality provided the municipality adopts a resolution pursuant to Chapter 20, P.L. 1951, prior to the expiration of the first five year emergency period, containing a finding that the need for emergency housing continues to exist in such municipality and shall file a certificate copy of the resolution with the Administrator. However, no contract in connection with temporary housing shall be extended where the Administrator finds that the project has deteriorated to such an extent that it may develop into a blighted area; and
- (b) Permanent Projects--The Administrator will not extend any contracts in connection with permanent housing projects. These projects will be sold at public or private sale pursuant to these regulations as amended and supplemented. Such sale shall take place prior to the termination date of the original contract. However, if it is not possible to arrange to effect or consummate such sale prior to the termination date of the original contract, the Administrator is authorized to extend such contracts for such reasonable periods of time as may be necessary to arrange to effect or consummate such sale; such extensions shall be permitted solely for this purpose and no other. If the municipality shall, prior to the termination date of the contract covering such permanent housing projects, adopt a

resolution pursuant to Chapter 20, P.L. 1951, extending the emergency. The sale of such projects in order to conform with sub-section (e) of section 12 of the Veterans' Emergency Housing Act, as amended and supplemented, Chapter 323, P.L. 1946, as last amended by Chapter 20, P.L. 1951 (R.S. 55:14G-12(e)), shall be subject to Regulation 13, as herein set forth.

13. Continued regulation after sale of housing projects--Where a municipality has adopted a resolution extending the emergency and the agreement between the Administrator and the municipality as to any project has expired or will expire prior to the termination of the emergency period as extended, the project shall be sold subject to these regulations to provide for the continued operation of such housing project for the balance of the emergency period after such sale with respect to tenant selection, rents, operation and maintenance of such projects as required by law. The purchaser of such emergency housing projects shall agree with the Administrator that during the balance of the emergency period the continued operation of the project shall be subject to the following:

- (a) Persons will be admitted to occupancy in the order of eligibility as set forth in paragraph 2 of these regulations;
- (b) Rents charged for units within said project shall not exceed the rents being paid for units in comparable buildings in the locality. The rents shall also comply with any municipal State or Federal laws or regulations affecting same; and
- (c) The project will be operated and maintained in accordance with management practices relating to projects of similar type within the locality and shall comply with all applicable municipal, State and Federal laws and regulations.

DATED: October 15, 1952

ADMINISTRATOR OF THE PUBLIC HOUSING
AND DEVELOPMENT AUTHORITY

Charles R. Erdman, Jr.

By: _____

Charles R. Erdman, Jr.
Commissioner of the Department of
Conservation and Economic
Development

The above supplement to the rules and regulations concerning veterans' housing projects, both temporary and permanent, is hereby approved.

DATED: October 15, 1952

VETERANS SERVICES COUNCIL

William G. McKinley

By: _____

William G. McKinley
Vice Chairman

Pursuant to the authority vested in me by virtue of Section 12, Chapter 323, P.L. 1946, as amended and supplemented, Regulation No. 11, dealing with sale of permanent veterans' projects consisting of one and two detached or semi-detached dwelling units, is hereby changed to the following extent:

- (a) Sub-section 11(b) thereof is hereby repealed;
- and
- (b) Sub-section (c) is hereby relettered sub-section (b)

Pursuant to the authority above set forth, Regulation No. 13, providing for continued regulation after sale of veterans' housing projects is hereby repealed.

Dated: August 12, 1953

ACTING ADMINISTRATOR OF THE PUBLIC
HOUSING AND DEVELOPMENT AUTHORITY

By: 

William C. Cope
Acting Commissioner of the Department of
Conservation and Economic Development

Repeal of Sub-section (b) of Regulation No. 11 and repeal of Regulation No. 13 are hereby approved.

Dated: August 24, 1953

VETERANS' SERVICES COUNCIL

By: 

William G. McKinley,
Vice-Chairman

Pursuant to the authority vested in me by virtue of Section 12, Chapter 323, P. L. 1946, as amended and supplemented, the regulations concerning veterans' housing projects are hereby changed as follows:

1. Section eleven of the regulations is hereby changed to read as follows:

11. Veterans, as defined in Section 1(e) of these regulations, occupying units in permanent housing projects at the time such projects are offered for sale by the Administrator shall be given the first opportunity to purchase the building or project in which said unit is located under the following conditions and subject to the limitations hereinafter set forth:

- (a) Such Veterans shall be entitled to purchase the building or project by private sale for the minimum price as determined by the contract between the municipality in which the building or project is located and the Administrator, subject to the approval of the State House Commission, solely for the purpose and on proof thereof to the satisfaction of the Administrator that they are making such purchase so as to enable them to continue to occupy the units in which they are living at the time such offer is made;
- (b) The contract and deed to such Veterans or cooperatives or Limited-Dividend Housing Corporations making the purchase for them shall contain a prohibition against the resale of the building or project for a period computed from the date of the delivery of the deed of one year as to buildings containing one or two family units and three years as to buildings containing more than two dwelling units.
- (c) The Administrator shall cause a written notice to be given to such Veterans of their right to purchase such units, setting forth the procedure, conditions and time

limitation within which such right shall be exercised. Such notice, where practicable, shall be sent to the Veterans prior to the termination of the contract between the Administrator and the municipality relating to the building or project in which the unit is located. Such procedure, conditions and time limit shall be determined by the Administrator subject to the limitations hereinafter set forth;

- (d) Veterans occupying units in buildings containing more than two dwelling units, shall be entitled to avail themselves of the right to purchase such building or project, whichever in the opinion of the Administrator would be advisable, practicable and in the best interest of the public dependent on the separability of the buildings in the project, for the minimum price; however, such purchase shall be limited to a cooperative or limited-dividend housing corporation consisting of at least sixty-five per cent (65%) of the Veteran occupants of such building or project. The notice to such Veterans shall state that their right to purchase such building or project shall be limited to a cooperative or limited-dividend housing corporation, approved by the Administrator, in which they have an interest, and a right of occupancy in the particular unit in which they are then living, and that the right of purchase shall only continue for three months from the date of such notice. Within such three-month-period such Veterans shall be required to make a satisfactory offer of purchase through a cooperative or limited-dividend housing corporation as approved by the Administrator, or in conjunction with a group of at least sixty-five per cent (65%) of the Veteran occupants of such building or project,

with assurances to the satisfaction of the Administrator that such group will be organized on acceptance of the offer into a cooperative or limited-dividend housing corporation approved as set forth above. In the event that such Veterans shall not make such a satisfactory offer within said three-month-period, their right of purchase shall cease and terminate unless extended by the Veterans' Services Council. In conjunction with such notice, and at the same time, the Administrator shall, in writing, notify all Veterans and other occupants of the building or project that on the expiration of three months from the date of such notification the rent for the units occupied by such Veterans and others shall be increased to the prevailing rent for such units as determined by the Administrator, specifying such prevailing rent as to the particular unit. This latter provision shall be subject to the prior approval of the municipality in which the project is located except where the contract with the municipality authorizes such procedure without additional approval.

- (e) In the event a satisfactory offer for the purchase of dwelling units in buildings or projects as above set forth is not made and accepted within the time limit, then and in that event the building or project shall be sold at public sale pursuant to the contract between the Administrator and the municipality.

2. This regulation shall take effect immediately, but shall not apply in such instances as the Administrator with the approval of the Council shall deem it inadvisable and impracticable as to a particular project or projects or any parts thereof.

DATED: December 14, 1953

ADMINISTRATOR OF THE PUBLIC HOUSING
AND DEVELOPMENT AUTHORITY

Charles R. Erdman, Jr.

By: _____

Charles R. Erdman, Jr.
Commissioner of the Department of
Conservation and Economic Development

The above amendment and supplement to the rules and regulations
concerning veterans' housing projects are hereby approved.

DATED: December 17, 1953

VETERANS' SERVICES COUNCIL

William G. McKinley

By: _____

William G. McKinley
Vice-Chairman