CHAPTER 9

FEDERAL MATTERS

Authority

N.J.S.A. 17:1-8.1, 17:1-15(e) and 17:9A-467.

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 9, Federal Matters, expires on December 28, 2006. See: 38 N.J.R. 3104(a).

Chapter Historical Note

Chapter 9, Federal Matters, was adopted and became effective prior to September 1, 1969.

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SUBCHAPTER 1. FEDERAL HOUSING ADMINISTRATION LOANS

3:9-1.1 Authority to make loans and advances of credit

Banks and savings banks which are approved by the Federal Housing Administrator as eligible for credit insurance are authorized to make loans and advances of credit and purchase obligations representing loans and advances of credit which are eligible for insurance by the Federal Housing Administrator and to obtain such insurance.

Authority

N.J.S.A. 17:9A-25, 26.

SUBCHAPTER 2. APPROVAL OF MEMBERSHIP IN FEDERAL NATIONAL MORTGAGE ASSOCIATION

3:9-2.1 Authority to utilize facilities

Banks and savings banks are authorized to utilize the facilities of the Federal National Mortgage Association, a corporate instrumentality of the United States, and to make payments to it of nonrefundable capital contributions subject to the terms and conditions prescribed by such corporation in connection with mortgage loans sold to it by such banks.

Authority

N.J.S.A. 17:9A-24.

SUBCHAPTER 3. FARMERS HOME ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF AGRICULTURE MORTGAGES

3:9-3.1 Savings banks authorization to invest

Savings banks are authorized to make, sell, buy or otherwise invest in mortgage loans fully insured or guaranteed as to principal and interest by the United States acting through the Farmers Home Administration of the United States Department of Agriculture.

Authority

N.J.S.A. 17:9A-26.

SUBCHAPTER 4. MORTGAGE LOANS FOR SALE BY ADMINISTRATOR OF VETERANS AFFAIRS WITH GUARANTEES OF ADMINISTRATOR

3:9-4.1 Savings banks authorization to invest

Savings banks are authorized to invest in loans, such as defined in paragraph 2(a) of subsection Q of Section 181, of the Banking Act of 1948, as amended, which are to be sold by the Administrator for Veterans Affairs under Chapter 37, Title 38 of the U.S.C., and which are fully guaranteed by the Administrator.

Authority

N.J.S.A. 17:9A-181.

New Jersey State Library

SUBCHAPTER 5. EXCLUSION OF F.H.A. AND V.A. LOANS, BY BANKS, FROM LEGAL LIMIT ON INVESTMENT IN MORTGAGES

3:9-5.1 Amount of F.H.A. exclusion

Banks are authorized to exclude entirely all mortgage loans which are fully insured by the Federal Housing Commissioner in determining the dollar limit which a bank may legally invest in mortgage loans in accordance with Section 69 of the Banking Act of 1948, as amended.

Authority

N.J.S.A. 17:9A-65.

3:9-5.2 Amount of V.A. exclusion

Banks are authorized to exclude all mortgage loans insured or guaranteed by the Veterans' Business Loan Act of 1944, as amended or supplemented from time to time, or the Servicemen's Readjustment Act of 1944, as amended or supplemented from time to time, or any mortgage loan the payment of which is guaranteed pursuant to Chapter 37 of Title 38, United States Code, "Veterans' Benefits," 38 U.S.C. 1801, et seq., as amended or supplemented from time to time, in determining the dollar limit which a bank may legally invest in mortgage loans in accordance with Section 69 of the Banking Act of 1948, as amended, only to the extent of the portion fully insured or guaranteed by the United States Government.

Authority

N.J.S.A. 17:9A-65.