

CHAPTER 15

**LICENSED LENDERS: MORTGAGE BANKERS;
CORRESPONDENT MORTGAGE BANKERS;
MORTGAGE BROKERS; SECONDARY LEND-
ERS; CONSUMER LENDERS AND SALES FI-
NANCE COMPANIES**

Authority

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

Source and Effective Date

R.2002 d.353, effective October 10, 2002.
See: 34 N.J.R. 1775(a), 34 N.J.R. 3795(a).

Chapter Expiration Date

Chapter 15, Licensed Lenders: Mortgage Bankers; Correspondent Mortgage Bankers; Mortgage Brokers; Secondary Lenders; Consumer Lenders and Sales Finance Companies, expires on October 10, 2007.

Chapter Historical Note

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

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

Chapter 15, Licensed Lenders: Mortgage Bankers; Correspondent Mortgage Bankers; Mortgage Brokers; Secondary Lenders; Consumer Lenders and Sales Finance Companies was readopted as R.2002 d.353 effective October 10, 2002. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 1. GENERAL PROVISIONS

3:15-1.1 Purpose and scope

(a) This chapter implements the New Jersey Licensed Lenders Act, N.J.S.A. 17:11C-1 et seq.

(b) This chapter shall apply to all licensed lenders with mortgage banker, correspondent mortgage banker, mortgage broker, secondary lender, consumer lender and/or sales finance company authority or authorities and registered mortgage solicitors and those whose activities require they be licensed or registered.

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

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

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

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

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

Rewrote the section.

3:15-1.2 Definitions

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

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

“Act” means the “New Jersey Licensed Lenders Act,” N.J.S.A. 17:11C-1 et seq.

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

“Alternate name” means an alternate name registered pursuant to N.J.S.A. 14A:2-2.1(2) or 42:2B-4b.

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

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

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

“Authority” means one of the activities permitted for a licensee pursuant to the Act: either mortgage banker, correspondent mortgage banker or mortgage broker; secondary lender; consumer lender; or sales finance business.

“Biennial period” means the two-year period beginning on July 1 of an odd-numbered year.

“Billing cycle” means the time interval between periodic billing dates. A billing cycle shall be considered monthly if the closing date of the cycle is the same date each month or does not vary by more than four days from such date.

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