

CHAPTER 26

GENERAL PROVISIONS

Authority

N.J.S.A. 17:1-8.1; 17:12B-48(21); 17:12B-197; 17:29-11.

Source and Effective Date

R.1991 d.41, effective December 31, 1990.
See: 22 N.J.R. 3428(a), 23 N.J.R. 205(a).

Executive Order No. 66(1978) Expiration Date

Chapter 26, General Provisions, will expire on December 31, 1995.

Chapter Historical Note

Chapter 26, was readopted pursuant to Executive Order No. 66(1978) as R.1991 d.41. See: Source and Effective Date.

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SUBCHAPTER 1. DESTRUCTION AND RETENTION OF RECORDS

3:26-1.1 Records retention schedule

(a) A savings and loan association shall maintain its records for the following minimum periods:

Description of Books, Records, etc.	Period to be Retained
1. Payment slips	2 years
1A. Coupons used with club accounts	1 year after payout of club account
1B. Coupons used with mortgage accounts	2 years, where a copy of the statement of the mortgage account is submitted annually to the mortgagor and a copy of said state-

Description of Books, Records, etc.	Period to be Retained ment is retained in the association's file
2. Withdrawal slips	
i. Supported by checks	6 years
ii. If only record	10 years
3. Subsidiary ledgers, etc.	
i. Individual account cards and sheets	6 years after account is closed
ii. Roll books (Shareholders' ledgers)	10 years
4. General ledger: books, cards or sheets	10 years
5. Tellers' Proof Sheets used as posting media	6 years
6. Tellers' Proof Sheets not used as posting media ..	2 years
7. Cancelled checks, including dividend and trust account checks	6 years
8. Bank statements	6 years
9. Cancelled signature cards on closed accounts ..	6 years
10A. Passbooks (Closed accounts and filled books) ..	Cancel and return to member or destroy
10B. Share certificates	10 years
11. Account transfer or share assignment records	
i. Individual accounts cards or sheets	10 years
ii. Roll book accounts	10 years
12. Paid bills	6 years
13. Correspondence	
(a) General	6 years
(b) Of contractual nature	Expiration of contract
14. Expired insurance policies	Until after notice period for claims has expired, when policy is cancelled or when a policy is renewed
15. Memorandum insurance records	Until loan is repaid
16. Corporate insurance records	Until after policy is renewed, when notice period for filing of claims has expired, or when policy is cancelled
17. Paid bills for mortgagors	Until loan is repaid
18. Tax bills	Return to borrower or retain until loan is repaid
19. Memorandum of tax payments on mortgages ...	Until loan is repaid
20. Paid off mortgage files	Return appropriate documents to borrowers, retaining a separate "loans paid in full" file wherein a copy of the letter itemizing papers returned to the borrower will be filed or a receipt for said papers will be filed. Other correspondence can be destroyed.
Loan application and appraisal reports to be retained	for at least 2 years
21. Unconsummated loans (Approved but not completed)	Retain loan application and appraisal report for 2 years
22. Proxies and ballots	6 years
	Where there is no contest a certificate of the Judge of Elections certifying the result may be retained instead of proxies and ballots for said 6 years
23. Corporate minutes: directors, executive committee and members' meetings	10 years
24. Reports	
i. Examination reports	10 years
ii. Audit reports	10 years
iii. Annual reports to Department	10 years
25. Monthly reports to directors (one copy)	3 years

Description of Books, Records, etc.	Period to be Retained
26. Records of original entry—general journal, cash receipts and disbursements journal, etc.	10 years
27. Unit accounting machine tapes	2 years
28. Block control and trial balance tapes	2 years
29. Journal vouchers	3 years
30. Duplicate bank deposit tickets or transit sheets	2 years
31. Inheritance tax waivers and surrogates' certificates	6 years
32. Account loan notes	Return to borrower on repayment
33. Trustee account bank statements	6 years
34. Trustee account ledger	10 years
35. Money order stubs, receipts for travelers' checks and receipt for bond sales and redemptions	2 years

Amended by R.1991 d.41, effective January 22, 1991.
See: 22 N.J.R. 3428(a), 23 N.J.R. 205(a).
Retention periods reduced.

Authority
N.J.S.A. 17:12B-197

SUBCHAPTER 2. CHARGES FOR SUBSTITUTION OF INSURANCE POLICIES

3:26-2.1 Maximum charge

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

Authority
N.J.S.A. 17:1-8.1 et seq., 17:29-11

SUBCHAPTER 3. ACTION UPON DETECTION OR DISCOVERY OF CRIME

Authority
N.J.S.A. 17:1-8.1

Source and Effective Date
R.1978 d.163, effective May 19, 1978.
See: 10 N.J.R. 136(a), 10 N.J.R. 219(b).

Historical Note
In compliance with Executive Order 66(1978), this subchapter was readopted effective May 19, 1983, as R.1983 d.184. See: 15 N.J.R. 372(a), 15 N.J.R. 889(c).

3:26-3.1 Action upon detection or discovery of crime

(a) Every State association, including any service corporation which is owned, wholly or jointly, by a State association, shall immediately notify the Commissioner of the detection or discovery of any embezzlement, defalcation, misapplication, or misuse of funds by any director, officer, employee, attorney or agent of the State association or service corporation. An association may comply with this section by filing with the Commissioner a copy of forms required under rules adopted by any appropriate Federal agency concerning reporting of crimes.

(b) Any fraud, embezzlement, defalcation, misapplication or misuse of the institution's funds committed by an agent or employee of the association which involves amounts of \$5,000 or less is exempt from the requirements of this section.

(c) In the event of a crime against the association by one other than an officer, director, attorney, or agent or employee of the institution, including crimes in which no immediate loss or any loss is incurred by the association, the association shall promptly report the apparent criminal violation to the Commissioner of Banking if the suspected criminal activity involves an actual or probable loss in excess of \$9,000. For purposes of reporting to the Department, a suspected civil fraud shall be treated like a crime.

Amended by R.1983 d.184, effective June 6, 1983.
See: 15 N.J.R. 372(a), 15 N.J.R. 889(c).

Added "forms concerning internal crimes" to (a)1, and "forms concerning external crimes" to (c).
Amended by R.1991 d.41, effective January 22, 1991.
See: 22 N.J.R. 3428(a), 23 N.J.R. 205(a).

Changed references to Federal agency from Federal Home Loan Bank Board.
Amended by R.1992 d.73, effective February 18, 1992.
See: 23 N.J.R. 2903(a), 24 N.J.R. 3(a), 24 N.J.R. 580(a).
Revised text.

3:26-3.2 Notice to criminal authorities

(a) An association must notify the appropriate criminal authorities of any suspected criminal activity which it is required to report to the Commissioner.

(b) An association may notify the appropriate criminal authorities of any suspected criminal activity which it is not required to report pursuant to (a) above.

New Rule, R.1992 d.73, effective February 18, 1992.
See: 23 N.J.R. 2903(a), 24 N.J.R. 3(a), 24 N.J.R. 580(a).

SUBCHAPTER 4. STATE SAVINGS AND LOAN ASSOCIATION PARITY

Authority
N.J.S.A. 17:12B-48(21); 17:1-8.1.

Source and Effective Date
R.1985 d.720, effective December 31, 1985.
See: 17 N.J.R. 2713(a), 18 N.J.R. 266(b).

Historical Note
All provisions of this subchapter became effective January 4, 1982 as R.1981 d.506. See: 13 N.J.R. 634(a), 14 N.J.R. 40(a). This subchapter was readopted pursuant to Executive Order 66(1978) effective December 31, 1985 as R.1985 d.720. See: 17 N.J.R. 2713(a), 18 N.J.R. 266(b). See chapter and section levels for further amendments.

3:26-4.1 State Savings and Loan Association parity with Federal savings and loan associations

In addition to other authority granted by law, and unless contrary to State law, a savings and loan association may exercise any power, right, benefit or privilege which is now or hereafter authorized for Federal savings and loan associations pursuant to Federal law or rules and regulations of any appropriate Federal agency. Any such power shall be exercised upon the same terms and subject to the same conditions as are authorized for Federal savings and loan associations. The powers, rights, benefits or privileges shall be automatically exercisable upon the expiration of 30 days from the date of adoption by the Federal regulatory agency, except if the Commissioner of Banking within that 30-day period provides notice that the power shall not be granted

to State savings and loan associations. Such notice shall be provided to each savings and loan association, and to the trade publications of the New Jersey Council of Savings Institutions, the New Jersey Bankers Association and the New Jersey Savings League for publication. The Commissioner of Banking may permit savings and loan associations to begin exercise of a power prior to the expiration of the 30-day period by providing notice of permission to each savings and loan association and to the above mentioned trade publications.

Amended by R.1991 d.41, effective January 22, 1991.

See: 22 N.J.R. 3428(a), 23 N.J.R. 205(a).

Changed references to Federal agency from Federal Home Loan Bank Board.