

CHAPTER 26

GENERAL PROVISIONS FOR STATE SAVINGS AND LOAN ASSOCIATIONS

Authority

N.J.S.A. 17:1-8.1, 17:1-15(e), 17:12B-48(21) and 17:12B-197.

Source and Effective Date

R.2006 d.443, effective November 21, 2006. See: 38 N.J.R. 3107(a), 38 N.J.R. 5354(c).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 26, General Provisions for State Savings and Loan Associations, expires on November 21, 2013. See: 43 N.J.R. 1203(a).

Chapter Historical Note

Chapter 26, General Provisions, became effective prior to September 1, 1969.

Subchapter 3, Action Upon Detection or Discovery of Crime, was adopted as new rules by R.1978 d.163, effective May 19, 1978. See: 10 N.J.R. 136(a), 10 N.J.R. 219(b).

Subchapter 4, State Savings and Loan Association Parity, was adopted as new rules by R.1981 d.506, effective January 4, 1982. See: 13 N.J.R. 634(a), 14 N.J.R. 40(a).

Subchapter 3 was readopted as R.1983 d.184, effective May 19, 1983. See: 15 N.J.R. 372(a), 15 N.J.R. 889(c).

Subchapter 4 was readopted as R.1985 d.720, effective December 31, 1985. See: 17 N.J.R. 2713(a), 18 N.J.R. 266(b).

Pursuant to Executive Order No. 66(1978), Chapter 26, General Provisions, was readopted as R.1991 d.41, effective December 31, 1990. See: 22 N.J.R. 3428(a), 23 N.J.R. 205(a). Pursuant to Executive Order No. 66(1978), Chapter 26, General Provisions, expired on December 31, 1995.

Chapter 26, General Provisions, was adopted as new rules by R.1996 d.272, effective June 17, 1996. See: 28 N.J.R. 1915(a), 28 N.J.R. 3119(a).

Pursuant to Executive Order No. 66(1978), Chapter 26, General Provisions, was readopted as R.2001 d.232, effective June 17, 2001. See: 33 N.J.R. 1157(a), 33 N.J.R. 2461(a).

Chapter 26, General Provisions, was readopted as R.2006 d.443, effective November 21, 2006. As a part of R.2006 d.443, Chapter 26, General Provisions, was renamed General Provisions for State Savings and Loan Associations, effective December 18, 2006. See: Source and Effective Date. See, also, section annotations.

Subchapter 5, Communications From the Department, was adopted as new rules by R.2008 d.178, effective July 7, 2008. See: 40 N.J.R. 1399(a), 40 N.J.R. 3989(a).

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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:

Table with 2 columns: Description of Books, Records, etc. and Period to be Retained. Lists various record types and their retention periods, such as 'Payment slips' (2 years) and 'Share certificates' (10 years).

<u>Description of Books, Records, etc.</u>	<u>Period to be Retained</u>
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
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

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 midterm by the mortgagor of an insurance policy or policies.

SUBCHAPTER 3. (RESERVED)

SUBCHAPTER 4. STATE ASSOCIATION PARITY

3:26-4.1 State Association parity with Federal and out-of-State institutions

(a) State associations as defined in N.J.S.A. 17:12B-5 may exercise those powers, rights, benefits or privileges authorized as of May 2, 2005 and, thereafter, for national banks, Federal savings banks or Federal savings associations, either directly or through a financial subsidiary or other subsidiary, to the same extent and subject to the same limitations as national banks, Federal savings banks or Federal savings associations may exercise those powers, rights, benefits or privileges. Pursuant to P.L. 2000 c.69, § 10 (N.J.S.A. 17:12B-48(21)), State associations may exercise such powers, rights, benefits or privileges consistent with (c) and (d) below, notwithstanding the provisions of N.J.S.A. 17:12B-1 et seq. or any other law. If, under Federal law, the exercise of a power, right, benefit or privilege is subject to compliance with state law in the state in which the national bank, Federal savings bank or Federal savings association exercises the power, right, benefit or privilege, then the exercise of the power, right, benefit, or privilege in this State shall be subject to New Jersey law.

(b) State associations may exercise those powers, rights, benefits or privileges as of May 2, 2005 and thereafter authorized for out-of-State banks, savings banks or savings associations either directly or through a financial subsidiary or other subsidiary, to the same extent and subject to the same limitations as out-of-State banks, savings banks or savings associations may exercise those powers, rights, benefits or privileges, provided that, before exercising any such power, right, benefit or privilege, the Commissioner has approved, by rule, the exercise of such a power, right, benefit or privilege by State associations generally, or the State association provides notice of its intent to exercise such a power, right, benefit or privilege to the Commissioner and, on a case by case basis, the Commissioner either approves the activity or does not determine, within 45 days of his or her receipt of such notice, that the power, right, benefit or privilege is not to be exercised by the State association on grounds of safety and soundness or on other grounds as provided in this rule. Pursuant to P.L. 2000 c.69, § 10 (N.J.S.A. 17:12B-48(21)), State associations may exercise such powers, rights, benefits or privileges, consistent with (c) and (d) below, notwithstanding the provisions of N.J.S.A. 17:12B-1 et seq. or any other law. If the exercise of a power, right, benefit or privilege is subject to compliance with state licensing law in the state to which the institution looks for the authority to exercise the power, right, benefit or privilege, then the exercise of the power, right, benefit, or privilege in this State shall be subject to applicable New Jersey licensing law regulating the conduct in which the State association seeks to engage.