



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
LEGISLATIVE AND REGULATORY AFFAIRS

PO Box 325
TRENTON, NJ 08625-0325

TEL (609) 984-3602
FAX (609) 292-0896

JON S. CORZINE
Governor

STEVEN M. GOLDMAN
Commissioner

BULLETIN NO. 06-15

TO: ALL NEW JERSEY CONSUMER FINANCE LICENSEES
FROM: STEVEN M. GOLDMAN, COMMISSIONER
RE: DEDICATED FUNDING ASSESSMENT

As of July 1, 2006, a new State law will be implemented that fundamentally changes the way the Division of Banking ("Division") is funded and the way monies are collected from the depositories and licensees it regulates. By notice dated May 1, 2006, the Department of Banking and Insurance ("Department") advised all licensees of two of the main components of the law and their impact on all licensees' payment obligations and data reporting requirements: the yearly assessment and the annual report. The Department has created a website where interested parties can find information specific to their license type at <http://www.state.nj.us/dobi/bankdedfunding.htm>. The Department will continue to update licensees on issues related to dedicated funding through this website. All information covered in the May 1, 2006 mailing can be found on this website.

The rules implementing the dedicated funding act (the "Act") were originally proposed on January 3, 2006. Notices of the adoption of the rules were published on June 19, 2006 in the *New Jersey Register*. The rules as proposed are available on the Department's website and the notices of the adoption of the rules are also available on that website.

One of the main benefits of the Act is the elimination of most fees currently paid by licensees. Instead of paying the various fees that have been associated with licensure, all licensees will now pay a single yearly assessment. The assessment will be the method by which the Division recovers its operating expenses for its previous fiscal year. ALL licensees will be required to file an annual report that will provide the Department with the necessary information to properly calculate each licensee's and depository's share of the Division's total operating expenses.

SIGNIFICANT DATES RELATED TO THE DEDICATED FUNDING ASSESSMENT:

January 1, 2006- The first annual assessment will be based on licensee financial information for the period of January 1, 2006 through December 31, 2006. Therefore, all licensees should currently be compiling and maintaining the necessary information for their annual report for the 2006 calendar year.

June 30, 2006- All fees currently charged, such as those for new licenses, name or address changes to existing licenses, examinations, annual report filings for calendar year 2005, etc., will continue to be charged through June 30, 2006. For example, if a licensee requests an address change on or before this date the fee currently in effect would be charged. If a licensee requests an address change on or after July 1, 2006, because the

yearly assessment process will then be in effect, the fee would not be charged. The Department will continue to collect unpaid fees that were charged on or before June 30, 2006.

July 1, 2006- The new dedicated funding law and rules take effect. Licensing and various other fees will no longer be charged. Application and solicitor registration fees remain in effect. Fines and penalties will continue to be collected. Complete lists of the fees being discontinued and those remaining in effect, appear on the Department's website.

December 1, 2006- Beginning on this date, those unable to file their annual reports electronically may obtain "hardcopy request forms" by faxing a request for the form to 609-292-5461 or by calling 609-292-7272 ext. 50117 or ext. 50436. If you cannot file your annual report electronically, you must submit a "hardcopy request form" to the Department by January 15, 2007.

January 2, 2007 – Anticipated date on which Annual Reports may begin to be filed electronically. (Confirmation of actual date will be provided in a subsequent Bulletin.)

January 15, 2007- The last date by which "hardcopy request forms" for the filing of annual reports on paper must be postmarked to be accepted.

March 1, 2007- The last date by which licensees who received approval to file a hard copy of their annual report must file that report.

April 1, 2007- The last date by which annual reports filed electronically through the State's secure website must be filed. Approximate date on which renewal process will commence. As a result of recent rule changes, all licenses will expire on June 30, 2007.

September 15, 2007- An initial assessment notice will be mailed to each licensee on or about this date. Payment of an assessment is due within 30 days of its mailing. This first annual assessment will reimburse the Division for its expenses for Fiscal Year 2007, which begins on July 1, 2006 and runs through June 30, 2007.

Please refer to <http://www.state.nj.us/dobi/bankdedfunding.htm> for additional information.

For questions concerning licensing
please contact:

NJDOBI License Services, Banking
P.O. Box 473
Trenton, NJ 08625
E-mail: blic@dobi.state.nj.us
Call: 609-292-5340, ext 50217

For questions concerning annual reports
or assessments please contact:

NJDOBI Surveillance
P.O. Box 040
Trenton, NJ 08625
E-mail: bsurveillance@dobi.state.nj.us
Call: 609-292-7272, ext. 50436

6/19/06
Date

/s/ Steven M. Goldman
Steven M. Goldman
Commissioner

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