

INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF BANKING

Mortgages
Relaxation of Loan-to-Value Limitation

Adopted New Rule: N.J.A.C. 3:10-8.1

Proposed: March 15, 2004 at 36 N.J.R. 1261(a)

Adopted: June 25, 2004 by Holly C. Bakke, Commissioner,
Department of Banking and Insurance

Filed June 25, 2004 as R. 2004 d.282, **without change.**

Authority: N.J.S.A. 17:1-15e and 17:9A-64.1

Effective Date: July 19, 2004

Expiration Date: July 1, 2006

Summary of Public Comment and Agency Response:

The Department received one written comment on the proposal. The comment was received from the New Jersey League of Community Bankers.

COMMENT: The commenter believes that the proposal sets reasonable limitations on the origination or acquisition of mortgage loans up to 100 percent of the appraised value of the property. The commenter also believes that authorizing the origination of higher loan-to-value mortgage loans will assist community banks in making CRA loans.

RESPONSE: The Department appreciates the comment.

Federal Standards Statement

A Federal standards analysis is required when any State agency adopts, readopts, or amends rules that exceed any Federal standards or requirements, and must include in the rulemaking document a comparison with Federal law. There are no Federal standards applicable to the adopted new rule.

Full text of the adoption follows:

ROG04-05/INOREGS