

**ADOPTION SECTION**

**BANKING**

**DEPARTMENT OF BANKING AND INSURANCE**

**DIVISION OF BANKING**

**Notice of Readoption**

**Residential Mortgage Lenders; Correspondent Mortgage Lenders; Mortgage Brokers;  
Qualified Individual Licensees; Mortgage Loan Originators**

**Readoption: N.J.A.C. 3:15**

Authority: N.J.S.A. 17:1-8, 17:1-8.1, 17:1-15.e, 17:11C-51 et seq., and 17:11C-89.

Authorized By: Kenneth E. Kobylowski, Commissioner, Department of Banking and Insurance.

Effective Date: January 27, 2015.

New Expiration Date: January 27, 2022.

**Take notice** that pursuant to the provisions of Executive Order No. 66 (1978) and N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:15 will expire on February 26, 2015. The rules set forth in this chapter implement the New Jersey Residential Mortgage Lending Act, N.J.S.A. 17:11C-51 et seq. (Act) and apply to residential mortgage lenders, correspondent mortgage lenders, residential mortgage brokers, qualified individual licensees, and mortgage loan originators licensed under the Act and those whose activities require they be licensed.

The rules set forth requirements as to principal and branch offices, licensee names, and the display of licenses. The rules require the Commissioner to implement the Act by coordinating with the National Mortgage Licensing System and Registry to facilitate electronic

processing of all applicants and licensees. The rules permit the Commissioner to investigate, examine, and require licensees to compile reports or prepare other information.

The rules set forth who must be licensed, those exempt from licensure, and the submissions required for licensure as a business licensee, qualified individual licensee, or mortgage loan originator. The rules further set forth the submissions required for a branch office license, the method of renewing business and branch office licenses, and the penalties associated with late renewal applications. The rules establish procedures on the reactivation of an inactive license. The rules provide requirements for the conversion of mortgage lender and mortgage broker licenses.

The rules also establish the requirements for pre-licensing education, licensing examination, and the continuing education of mortgage loan originators and qualified individual licensees. The rules also set forth requirements addressing renewal of a qualified individual or mortgage loan originator license, state when a license must be returned to the Department, and penalize the late filing of a renewal application for an individual license.

The rules establish requirements for licensees to follow when applying for approval of a sale or transfer or change of control of a business licensee, when discontinuing business as a mortgage lender or mortgage broker, and when notifying the Department after the occurrence of a potentially disqualifying event.

The rules specify the surety bond requirements for licensees, set forth the fees associated with licensing, and establish tangible net worth requirements for business licensees. The rules further establish the bookkeeping, recordkeeping, loan documentation, and reporting requirements of licensees.

The rules set forth requirements relating to forms of insurance a mortgage lender may require in connection with a mortgage loan. They also establish the required and prohibited types of information in advertisements by licensees. The rules further set forth the fees permitted to be charged by mortgage lenders, correspondent mortgage lenders, and mortgage brokers in connection with first and second mortgage loans. The rules also set forth requirements for licensees to follow with respect to mortgage loan terms and conditions. Finally, the rules establish standards and procedures regarding the imposition of administrative penalties by the Department.

The Department of Banking and Insurance has reviewed these rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.