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**BULLETIN NO. 09-04**

**TO: ALL PARTICIPANTS IN THE RESIDENTIAL MORTGAGE FORECLOSURE MEDIATION PROGRAM AUTHORIZED BY ORDER OF THE NEW JERSEY SUPREME COURT DATED NOVEMBER 17, 2008**

**ALL HOUSING COUNSELORS CERTIFIED BY HUD AND THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

**ALL NEW JERSEY LICENSED DEBT ADJUSTERS**

**NEW JERSEY ADMINISTRATIVE OFFICE OF THE COURTS**

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

**FROM: STEVEN M. GOLDMAN, COMMISSIONER**

**RE: MORTGAGE LOAN MODIFICATION ACTIVITIES UNDER THE NEW JERSEY FORECLOSURE MEDIATION PROGRAM**

The New Jersey Department of Banking and Insurance (Department) recognizes the need to help thousands of New Jersey homeowners at risk of losing a home to foreclosure. The Department also recognizes that the New Jersey Supreme Court issued an Order on November 17, 2008 relaxing several Rules of Court to permit the establishment and operation of the Judiciary's Residential Mortgage Foreclosure Mediation Program (Program). Under the Order, the Program will involve foreclosure prevention counseling by HUD-certified housing counselors, which may include mortgage loan modification activities.

A person engaged as a third party in mortgage loan modification activities in New Jersey must be licensed as a debt adjuster pursuant to N.J.S.A. 17:16G-1 et seq., unless exempt from the licensing requirement. The Department has concluded that HUD-certified housing counselors engaged in third party mortgage loan modification activities within the Program possess a debt adjuster licensing exemption for such activities. This conclusion rests on N.J.S.A. 17:16G-1c(2)(c), which provides, in pertinent part, that “a person acting pursuant to any order... of court” shall not be deemed to be a debt adjuster. Thus, this statutory exception applies to HUD-certified housing counselors to the extent of their activities within the Program.

03/02/09  
Date

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

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