

BANKING
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF BANKING

Dedicated Funding
Fees and Annual Reports
Office of Consumer Finance

Proposed Amendments: N.J.A.C. 3:1-7.4 and 7.6; 3:15-2.1 through 2.8, 2.12, 2.13, 2.14, 2.15, 4.2, 6.3, 6.15, and 6.16; 3:16-1.2 and 2.1; 3:19-1.2; 3:22-1.3; 3:23-1.1, 2.1, 3.1 and 3.2; 3:24-1.5, 1.6, 6.1 and 6.2; 3:25-2.2 and 3.3; and 3:27-2.1, 2.2, 3.2 and 3.6

Proposed New Rules: N.J.A.C. 3:23-4

Proposed Repeals: N.J.A.C. 3:15-4.3; 3:24-1.4; 3:25-2.4; and 3:27-3.3, 3.4 and 3.5

Authorized By: Donald Bryan, Acting Commissioner, Department of Banking and Insurance.

Authority: N.J.S.A. 17:1-8, 17:1-15e and 17:1C-33 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2006-20

Submit comments by March 4, 2006 to:

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The agency proposal follows:

Summary

On August 18, 2005, N.J.S.A. 17:1C-33 et seq., (the "Act") established an assessment funding mechanism for the support of the Division of Banking in the Department of Banking and Insurance. Sections 3 and 14 of the Act took effect

immediately upon its being signed and the remainder of the Act will take effect upon adoption of the rules implementing its provisions.

N.J.S.A. 17:1C-45a of that Act stated that a regulated entity paying the amounts assessed to it under this mechanism would be exempt from all fees and charges, except for certain enumerated fees. Funding will be provided by an assessment of all regulated entities in accordance with regulations promulgated by the Commissioner of Banking and Insurance. Therefore, numerous rules throughout Title 3 of the Administrative Code must be amended to remove all fees except those enumerated in N.J.S.A. 17:1C-45a. The excepted fees include charter fees, application fees for licenses, mortgage solicitor registration application fees and fees for entry of a foreign depository institution. These amendments and new rules are being proposed concurrently with new rules that set forth the new funding mechanism (see proposed N.J.A.C. 3:5 published elsewhere in this issue of the New Jersey Register).

In addition, various rules are proposed to be amended to add or change annual report requirements. Annual reports will be required from all licensees and the information provided will be used by the Department in the calculation of assessments. Because this information is vital to the assessment process, new procedures for reporting and new penalties for non-reporting are included in the proposal. Certain rules are proposed to be amended to include new and revised reporting requirements, new procedures for the payment of assessments and revised penalty provisions.

In order to implement the new assessment process, it is necessary that all entities regulated by the Department file annual reports and that all those reports are received on or before April 1st of the following year. Since the data in the reports will be used to

determine the assessments, new rules are proposed to require that all reports be filed electronically. This will enable the Department to process the annual filings in the most efficient and cost effective manner possible. The proposed amendments also impose or revise penalties for late filing of annual reports. As the timely receipt of the reports is essential to the assessment process, a penalty of \$50.00 per day is proposed. In addition, any report that the Department finds to be incomplete will be considered not timely filed. These amended rules are necessary because the timely receipt of complete information from all licensees is vital to the assessment process.

The Department is mindful, however, that there may be some small businesses that do not have the capability of filing electronically. Therefore, the new rules require that anyone who is incapable of electronic filing must apply to the Department for an exemption. The exemption application must be filed by January 15 of each year and include a certification signed by the licensee stating that he or she is incapable of filing electronically and stating the reason(s) for that incapability. Upon the Department's acceptance of the application, the licensee would be able to file a hard copy annual report. Such a report would have to be filed, on or before March 1, to allow for the manual review of the filing and its translation into electronic form by the Department.

The Department is also proposing penalties for late payment of assessments. Licensees are paying assessments for expenses previously incurred by the Department for their regulation. Any payments that are not ultimately recovered from licensees are borne by the other licensees. Therefore, limited tolerance for late payments is in the interest of all licensees. Similarly, any payment by a dishonored or returned check that is subsequently made good after the filing deadline will be considered late and,

consequently, the same penalties will apply. Further, licenses will be subject to revocation if either the assessment or annual report is past due and no licenses will be renewed unless all assessments due and owing as of the expiration date of a current license have been paid.

In order to ensure a smooth transition to the new assessment mechanism, all licensees need to be educated as to the purpose, manner and timing of the new funding mechanism. Since assessments will be based at least partially on their volume of business, albeit with different measures for different licensees, it is necessary for all licensees to file timely and accurate annual reports with the Department. More importantly, since this information must be available prior to the calculation of the assessment, procedures for the filing of annual reports by those licensees not currently reporting must be established. To assure that these licensees and those that are already filing annual reports are aware of the data they must collect, the content for the annual report filings for each license type will be made available at the Department website at www.njdoabi.org.

The proposed new rules require that annual reports shall be filed by all licensees by April 1, 2007 for the calendar year 2006. Since most, if not all, licensees already accumulate data on a calendar year basis, the annual reports will be on a calendar basis. The Department's annual budget, however, is calculated on a fiscal year which runs from July 1 through June 30th. Therefore, the assessment calculated with data from calendar year 2006 will cover the Department's expenses for the fiscal year July 1, 2006 through June 30, 2007. Corresponding yearly time periods will be applicable to all future assessments.

Other amendments made throughout the rules change various references to “biennial licensing periods” to “licensing periods.” This proposed amendment is made to clarify that the affected rules would be applicable to any licensing period, regardless of its length. Thus, if a rule was adopted at a later date making a license period for a regulated entity greater or less than two years, the text of the rules being revised in this way would still be accurate.

An amendment to N.J.A.C. 3:1-7.4 is proposed to remove the references to fees and fee schedules (which are deleted from N.J.A.C. 3:1-7.1 and 7.2 in a proposal published elsewhere in this issue of the New Jersey Register) and to correct the spelling of the word “cashiers” to “cashers.” In addition, language is being proposed to allow licensees awaiting reissued licenses with address changes to continue in business. An exception is added to this provision for check cashers. Until approved by the Department, they are not permitted to continue in business at a new location because the Department must first ascertain that the new location does not violate N.J.S.A. 17:15A-41(e), which requires that no office or mobile office be located within 2,500 feet of an existing office or mobile office.

An amendment to N.J.A.C. 3:1-7.6 is proposed to add penalties for the late filing of annual reports and/or late payment of assessments.

Proposed N.J.A.C. 3:1-7.6(a)1 states that annual reports that are filed electronically will be deemed late if received after April 1st of the calendar year following the calendar year covered by the annual report.

Proposed N.J.A.C. 3:1-7.6(a)2 states that annual reports filed by hard copy shall be considered late if mailed or shipped with a delivery service after March 1 of the

following year. In addition, hard copy reports may only be filed by licensees who have received an exemption from the Department in accordance with the proposed new rule prescribing the procedure for obtaining such exemptions, N.J.A.C. 3:23-4.2.

Proposed N.J.A.C. 3:1-7.6(a)3 states that annual reports found by the Department to be incomplete shall be deemed not filed and proposed N.J.A.C. 3:1-7.6(a)4 states that any report not filed by the date due, including those deemed not filed, shall be considered late and subject to a penalty.

Proposed N.J.A.C. 3:1-7.6(b) states that licensees that submit payment for their assessment after the due date indicated on their assessment statement shall be subject to a penalty. Assessments paid with a subsequently dishonored or returned check shall be considered unpaid until a replacement check is received by the Department and assessments not paid because a replacement check has not been received by the due date shall be subject to a penalty.

Proposed N.J.A.C. 3:1-7.6(c) states that unless otherwise limited by a statute applicable to a particular license type, a licensee who files late annual reports and/or whose assessment is late and/or unpaid after the date due shall be subject to a penalty. Whether a timely submission has been made will be determined based upon the date of receipt of the information if received electronically and, for assessment payments and annual reports filed in hardcopy, the date of mailing or shipping with a delivery service. The proposed penalties are: \$50.00 per day for the late filing of the annual report and \$150.00 per day, up to a maximum of 20 percent of the assessment due, for the late payment of the assessment.

In addition to any monetary penalties, the proposed amendments at N.J.A.C. 3:1-7.6(d) state that a license shall be subject to revocation for assessments unpaid as of the due date indicated on the assessment statement or for failure to file an annual report by the date due.

The provision stating that the imposition of penalties shall not prevent the Department from imposing further penalties on the licensee for transacting business without a license is recodified at N.J.A.C. 3:15-7.6(e).

Amendments to N.J.A.C. 3:15-2.1(f) are proposed to remove fees and to remove the use of the term “biennial” in reference to the license period. A reference to “all required documentation” is also added.

Amendments to N.J.A.C. 3:15-2.2(a) are proposed to remove the references to license fees and initial licenses.

Proposed N.J.A.C. 3:15-2.2(d) states that application fees are nonrefundable.

Amendments to N.J.A.C. 3:15-2.3 are proposed to remove the references to license fees and branch applications that are proposed for deletion.

N.J.A.C. 3:15-2.3(g) is proposed to state that application fees are nonrefundable.

Amendments to N.J.A.C. 3:15-2.4(a) are proposed to remove the references to the biennial license fee.

N.J.A.C. 3:15-2.4 (b) is proposed to state that no license shall be renewed unless all assessments due and owing have been paid.

An amendment to N.J.A.C. 3:15-2.5(a) is proposed to remove the reference to branch licensing fees.

Amendments to N.J.A.C. 3:15-2.6 are proposed to remove licensing fees and to rename the "reinstatement" fee found in N.J.A.C. 3:15-2.6(b) a penalty for late filing consistent with the penalty assessed in N.J.A.C. 3:15-2.6(a).

N.J.A.C. 3:15-2.6(h) is added to clarify that application fees are nonrefundable.

Amendments to N.J.A.C. 3:15-2.7 are proposed to remove references to biennial licensing periods and fees.

An amendment is proposed for N.J.A.C. 3:15-2.7(c) to clarify that an application fee is due when a license is reactivated and N.J.A.C. 3:15-2.7(e) is added to clarify that application fees are nonrefundable.

Amendments to N.J.A.C. 3:15-2.8 and 2.12 are proposed to remove references to fees.

Amendments are proposed for N.J.A.C. 3:15-2.13 to change the effective date of renewed registrations to that of the effective date of the assessment, to remove fees and to remove the reference in N.J.A.C. 3:15-2.13 to a solicitor changing affiliation two or more times in a year. In addition, the list of those who employ mortgage solicitors is corrected and clarified.

N.J.A.C. 3:15-2.13(g) is added to clarify that application fees are nonrefundable.

An amendment to N.J.A.C. 3:15-2.14 is proposed to remove fees for approval of a change of control.

Amendments are proposed to N.J.A.C. 3:15-2.15 requiring that licensed lenders that discontinue business pay all assessments due and owing and prepay the base assessment for the year of the discontinuation by paying the amount of the most recently billed base assessment within 15 days after ceasing business or upon being acquired.

Adjustments, if any, and the final volume assessment for the year of discontinuance will be billed in the year following the discontinuance. In the event of an acquisition, the amount carried forward shall be paid by the acquiring entity. A paragraph to require licensed lenders to identify, in writing, the name, address and phone number of the person within the licensee's operation responsible for processing the payment of assessments is added.

N.J.A.C. 3:15-4.2(a) is proposed for amendment to change the license application fees for licensed lenders to fees within the parameters established by the Act at N.J.S.A. 17-1C-49d. In light of the new parameters, the Department re-examined the costs of processing the initial applications for licensure of prospective licensed lenders and the Department's first year costs associated with new licensees and concluded that the current application fees were too low. New licensed lender entrants historically have required high application processing costs as well as a high level of services in the first year of operation which, under the new funding system, will be incurred by the Department prior to their first assessment. It would be unfair to existing licensed lenders that have previously paid their assessment to have to bear the entire cost of the substantial services needed to regulate these new entrants. Therefore, the Department is proposing new application fees that more accurately reflect the costs of the initial application processing as well as the cost of the regulatory services provided for the new licensees in their first year of operation. The proposed new application fees are as follows:

1. One authority for an individual and/or company: \$700.00;
2. Two authorities for an individual and/or company: \$1,000;
3. Three authorities for an individual and/or company: \$1,300; and

4. Four authorities for an individual and/or company: \$1,600.

To illustrate: if a lender applied for an individual license and a company license both with two authorities, the application fee for the individual would be \$1,000 and the application fee for the company would also be \$1,000.

N.J.A.C. 3:15-4.2(b) concerning an initial branch office license application fee is proposed for deletion.

N.J.A.C. 3:15-4.2(c) is recodified as (b) and is proposed for amendment to clarify that a licensee who subsequently applies for an additional authority shall pay an application fee for each such application of \$300.00 per authority for each individual and/or company.

N.J.A.C. 3:15-4.3 is proposed for repeal as it deals with biennial and annual license fees that are no longer required.

N.J.A.C.3:15-6.3(c) is proposed for amendment to reflect the removal of examination fees in most instances.

N.J.A.C. 3:15-6.15 is proposed for amendment to reflect the removal of examination charges for those that are assessed under the new funding mechanism.

N.J.A.C. 3:15-6.16 is proposed for amendment to reflect the removal of report filing fees and to remove the reference to the \$50.00 penalty for late filing that has been replaced by the penalty in proposed new rule at N.J.A.C. 3:1-7.6(c).

N.J.A.C. 3:16-1.2(d)3 is proposed for amendment to change the name of the fee that accompanies an application from license fee to application fee and to increase the fee to \$500.00 and new subsection (e) is proposed to indicate that such fees are non-refundable.

A subsection which was mistakenly codified as a second N.J.A.C. 3:16-2.1(b) is recodified as N.J.A.C. 3:16-2.1(c) and amended to remove the fee for report filing and the reference to a \$50.00 penalty. N.J.A.C. 3:16-2.1(c) is proposed for recodification as N.J.A.C. 3:16-2.1(d).

Amendments to N.J.A.C. 3:19-1.2(c) are proposed to delete the annual license fees and add the application fees for home repair contractors and for home repair salespersons.

N.J.A.C. 3:22-1.3 is proposed for amendment to reflect the removal of report filing fees, to remove the reference to the \$50.00 penalty for filing which has been replaced by the proposed new provision N.J.A.C. 3:1-7.6(c).

N.J.A.C. 3:23-1.1 is proposed for amendment to remove license renewal fees and to clarify that the chapter pertains to all licensees as defined by proposed new rule N.J.A.C. 3:5-2. That definition includes all the regulated entities licensed or registered by the Division of Banking except credit unions and depository institutions.

N.J.A.C. 3:23-2.1 is proposed to be amended to state that persons who are licensed pursuant to N.J.S.A. 17:11C-1 et seq. shall pay application fees in accordance with N.J.A.C. 3:15-4.2. In addition, the table which contained biennial license fees is replaced by a table containing the application fees for licensees other than those specified in N.J.A.C. 3:15-4.2.

The proposed license application fees are as follows:

<u>Licensees</u>	<u>Application Fee</u>
1. Money Transmitter	
i. Money Transmitter	\$700.00
ii. Foreign Money Transmitter	\$700.00
2. Check Casher	\$700.00

3. Retail Installment Sales
 - i. Motor Vehicle Installment Seller \$300.00
 - ii. Home Financing Agency \$400.00
 - iii. Home Repair Contractor \$300.00
 - iv. Home Repair Salesman \$ 60.00
4. Insurance Premium Finance Company \$500.00
5. Pawnbroker \$500.00
6. Debt Adjuster \$300.00
7. High Cost Home Loan Credit Counselor \$100.00

N.J.A.C. 3:23-2.1(c) is proposed to state that application fees are nonrefundable.

Amendments are proposed to N.J.A.C. 3:23-3.1 to change the license application fee for both money transmitters and foreign money transmitters to \$700.00.

N.J.A.C. 3:23-3.2 is proposed for amendment to remove the annual report filing fee and the reference to the \$50.00 penalty for late filing that has been replaced by proposed new provision N.J.A.C. 3:1-7.6(c).

A new subchapter is proposed at N.J.A.C. 3:23-4 containing the requirements for annual reporting by all licensees.

N.J.A.C. 3:23-4.1 states that unless otherwise prescribed by a statute applicable to a particular license type, each licensee listed in N.J.A.C. 3:23-2.1, including licensed lenders, shall file an annual report on or before April 1, on a form supplied by the Commissioner. The filing of annual reports for check cashers, insurance premium finance companies and pawnbrokers shall be governed by the provisions of N.J.S.A. 17:15A-45, 17:16D-7 and 45:22-12, respectively.

The form for the annual report shall include the licensee's name, address, volume of business(es), bonding information, if any, and may include other information that the licensee is required by rule or by statute to maintain or report.

N.J.A.C. 3:23-4.2(a) states that all annual reports shall be filed electronically.

N.J.A.C. 3:23-4.2(b) states that licensees unable to file electronically may apply to the Department for an exemption from electronic filing.

N.J.A.C. 3:23-4.2(c) requires that all exemption applications shall be forwarded to the Department along with a statement certifying to the applicant's inability to file electronically and the reasons for that inability.

N.J.A.C. 3:23-4.3 states that all annual reports shall be filed in accordance with N.J.A.C. 3:1-7.6 and that all annual reports filed late shall be subject to penalties as provided therein.

N.J.A.C. 3:23-4.3(c) states that a final annual report shall be required for the calendar year in which the licensee discontinues its licensed business operations in New Jersey.

N.J.A.C. 3:24-1.4 is proposed for repeal, as licensing fees are eliminated by the Act.

N.J.A.C. 3:24-1.5 is proposed for recodification as N.J.A.C. 3:24-1.4 and amended to change all application fees to \$700.00.

N.J.A.C. 3:24-1.6 is proposed for recodification as N.J.A.C. 3:24-1.5 and is amended to delete any reference to fees payable to the Division and to update the procedures on fingerprinting to conform to the Statewide system currently in effect.

N.J.A.C. 3:24-6.1 is proposed for amendment to reflect the removal of report filing fees and to remove the reference to the \$50.00 penalty for filing that has been replaced by the proposed new provision N.J.A.C. 3:1-7.6(c).

N.J.A.C. 3:24-6.2(b), requiring report filing fees, is proposed for repeal and N.J.A.C.3:24-6.2(c) is recodified as N.J.A.C. 3:24-6.2(b).

References to a citation on application fees in N.J.A.C. 3:25-2.2(a)13 and (e)7 are proposed to be changed from N.J.A.C. 3:25-2.4 to N.J.A.C. 3:23-2.1, as N.J.A.C. 3:25-2.4 is proposed for repeal.

Payment of the costs of examinations referenced in N.J.A.C. 3:25-3.3 is proposed for deletion, as these are eliminated by the Act.

N.J.A.C. 3:27-2.1(b) is proposed for amendment to remove the reference to biennial licensing periods and to revise the date of the beginning of the licensing period.

An amendment is proposed for N.J.A.C. 3:27-2.2 to remove licensing fees and to add a reference to the application fee citation at N.J.A.C. 3:23-2.1 and to update the procedures on fingerprinting to conform to the statewide system currently in effect.

Amendments to N.J.A.C. 3:27-3.2 are proposed to remove the current application fees and to add a reference to N.J.A.C. 3:23-2.1.

The repeal of N.J.A.C. 3:27-3.3, 3.4 and 3.5, which all pertain to fees that have been eliminated, is also proposed.

N.J.A.C. 3:27-3.6 is proposed for recodification as N.J.A.C. 3:27-3.3 and for amendment to remove the fee for filing the annual report.

The Department's rule proposal provides for a comment period of 60 days, and therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, is not subject to the provisions of N.J.A.C. 1:30-3.1 and 3.2 governing rulemaking calendars.

Social Impact

The implementation of the dedicated funding of the Division of Banking through the proposed new rules, amendments and repeals will have a positive effect on the

Division of Banking, the industries and individuals that the Division regulates and the general public. The use of dedicated funding ensures that the Division has adequate funding to effectively protect and educate consumers and to regulate the industries in an efficient and timely manner. Moreover, the new system promotes administrative efficiencies for industry by streamlining the number of fees paid and by providing more predictability on the financial burden imposed upon the affected industries by the regulatory system. Finally, enhancing the efficiency and timeliness of the regulation of the affected industries should foster a business environment which promotes growth, financial stability and efficiency.

Economic Impact

The Department does not expect that the proposed amendments, new rules and repeals will have a significant economic impact on most regulated entities. The proposed new initial application fees for licensed lenders, while higher than the existing fees, should have little or no effect on licensed lender applicants. Currently applicants pay a low application fee plus a licensee fee which covers the Department's cost of regulating during the new licensee's first year. Under the proposed new system, the applicant will only pay the proposed new application fee. The proposed application fee will approximate the prior license fee, having little or no economic effect on the new licensee. The Department believes that the remaining fees are reasonable and that the new assessment system should result in overall costs to regulated entities that, on average, are about the same as those that currently exist. Entities that transact a larger volume of business and require the expenditure of a larger percentage of the Division's resources to

effectively regulate and service their operations may experience an increase in their overall costs. Ultimately, regardless of an entity's size or business volume, regulatory fees are a necessary cost of transacting business in New Jersey.

Regulated entities will need to compile the necessary information for the new assessment funding system and forward it to the Department in their annual reports. The information to be reported is, in most cases, already being maintained by the regulated entities and most of the information is currently being supplied to the Department. Certain entities such as motor vehicle installment sellers, home repair contractors, debt adjusters and high cost home loan counselors that previously were not required to file annual reports will be required to do so if the proposal is adopted. The Department does not believe such entities will incur any substantial costs as a result of this new requirement as such entities are generally low-volume operations that will not be required to submit voluminous or excessively detailed information. Moreover, the maintenance of the information required in the annual report is consistent with good business practice. Regulated entities may employ outside professional assistance from accountants and attorneys for compliance, but such assistance should not be necessary. The costs of this will vary depending on the professional utilized and the services requested.

The proposed amendments, new rules and repeals will, to varying degrees, affect economically all the industries and individuals who are regulated by the Division of Banking. The proposed amendments, new rules and repeals allow for the fair and equitable allocation of the cost of regulation among those who are regulated by the Division. The proposed amendments and new rules seek to assure that all the regulated entities, regardless of size, pay the costs associated with the basic services provided by

the Department that are related to their regulation. The proposed amendments, new rules and repeals also seek to assure that those entities that generate more work and expense for the Division, due to its greater regulatory responsibilities with respect to such industries, bear the cost of their regulation in a manner that takes that greater burden into account. The proposed amendments, new rules and repeals implement N.J.S.A. 17:1C-33 et seq. and eliminate many separate fees currently charged. This will result in substantial efficiencies for the regulated industries and the Department because the submission and processing of numerous small payments each year will no longer be required.

Federal Standards Statement

The proposed amendments, new rules and repeals are not subject to any Federal standards or requirements. Therefore, a Federal standards analysis is not required.

Jobs Impact

The Department does not believe any jobs will be generated or lost as a result of the proposed amendments, new rules and repeals. Assessed entities will use existing staff or, in a rare circumstance, retain outside professionals for compliance with the proposed amendments and new rules.

The Department invites commenters to submit any data or studies concerning the jobs impact of the proposed amendments, new rules and repeals together with their written comments on other aspects of this proposal.

Agriculture Industry Impact

The Department does not expect any agriculture industry impact from the proposed amendments, new rules and repeals.

Regulatory Flexibility Analysis

Many of the regulated entities which will be affected by the proposed amendments, new rules and repeals are small businesses employing fewer than 100 full-time employees. The proposed amendments, new rules and repeals and the assessment formula have been crafted to ensure that the economic burden on small entities that impose a modest regulatory burden upon the Division of Banking is less than that to be borne by entities whose regulation requires a greater expenditure of the Department's resources, while still being fair to all entities and being adequate to recover all expenses of the Division. This balance is achieved by the use of an assessment formula comprised of both a base assessment, which takes in to account the Department's regulatory costs in relation to a particular industry, and a volume assessment, which focuses on the relative size of the individual regulated entity. Consequently, low-volume businesses will pay a fair cost of their regulation through a total assessment comprised of their base assessment and a minimal volume assessment. Conversely, larger-volume businesses will pay total assessments comprised of their base assessments and proportionately higher volume assessments.

The proposed amendments and new rules will impose recordkeeping, reporting and other compliance requirements on all regulated entities, as discussed in the Summary above. Costs are discussed in the Economic Impact above. The proposed amendments and new rules will continue to require regulated entities to operate in a manner that is

responsible to the industry, their customers and the general public, and to supply information to the Department that is necessary to implement the provisions of the laws applicable to assessments of regulated entities. The addition of annual reports for those regulated entities not already reporting under other existing statutes or rules will increase the reporting, recordkeeping and compliance burden on those entities. In addition, the Department does not believe that the requirement of electronic filing will create any significant additional burden on small business. The Department believes that many, if not most, of the small businesses already have electronic capabilities and filing electronically may be easier and less expensive than filing under the current rules. However, for those businesses, large or small, that are unable to process electronically, the Department will accept exemption applications and allow for manual filing with an earlier filing date. Regulated entities may employ outside professional assistance from accountants and attorneys for compliance, but such assistance should not be necessary. The costs of this will vary depending on the professional utilized and the services required.

The Department does not believe that these requirements are unduly burdensome. Moreover, they are consistent with prudent financial service industry practices. The purpose of these requirements does not vary based upon business size. The business involved here is handling of monies belonging to others, creating loan obligations on the part of the businesses affected by the proposed amendments, new rules and repeals. These obligations exist regardless of the size of the business. Accordingly, no differentiation based on business size is provided.

Smart Growth Impact

The proposed amendments, new rules and repeals will have no impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Full text of the rules proposed for repeal may be found in the New Jersey Administrative Code at N.J.A.C. 3:15-4.3; 3:24-1.4; 3:25-2.4; and 3:27-3.3, 3.4 and 3.5.

Full text of the proposed amendments and new rules follow (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

CHAPTER 1

GENERAL PROVISIONS

3:1-7.4 Address change

Every licensee [reference] **referenced** in N.J.A.C. 3:1-7.1(a)1 [in Schedule A or 3:1- 7.2(c)1 in Schedule B] that changes a licensed business address at any time shall, within 10 days of the change, submit information relative to the address change to the Commissioner, **and** surrender the affected license or licenses [and pay to the Department an address change fee of \$75.00]; except that pawnbrokers, check [cashiers] **cashers** and insurance premium finance companies shall comply with the provisions of N.J.A.C. 3:16-1.6, N.J.A.C. 3:24-1.6(h), or N.J.S.A. 17:16D-4, respectively. Licensees submitting a notice of change of address pursuant to this section shall submit their license or licenses for the issuance of the new license reflecting the change. Within 30 days of receipt of the notice of change of address and all documentation [and fees] necessary to effectuate the change, the Commissioner shall issue a new license or licenses that reflect the change.

[While] **With the exception of check cashers, while** the licensee is awaiting the issuance of the [new] license or licenses **reflecting the new address**, the licensee may continue in business, provided that all documentation [and fees are] **is** supplied, unless the licensee receives notice of suspension or revocation, or unless the [biennial] licensing period **if any,** expires.

3:1-7.6 Penalty for late filing **of annual reports and/or late payment of assessments**

(a) [Motor] **Licensed lenders, motor** vehicle installment sellers, home repair contractors, [home repair salespersons,] home financing agencies, check cashers, money transmitters, debt adjusters, foreign money transmitters, pawnbrokers, [and] insurance premium finance companies, [that] **or any other licensees who fail to** file [renewal license applications after the expiration of their licenses] **an annual report on a timely basis as specified below** shall be subject to a \$50.00 **per day** penalty. **With the exception of licensed lenders, all such licensees who file applications to renew their license after the license expiration date shall be subject to a penalty of \$50.00.**

Licensed lenders who file renewal license applications after the expiration of their licenses shall be subject to N.J.A.C. 3:15-2.6, including any penalties specified therein.

1. Annual reports filed electronically will be deemed late if received after April 1st of the year following the calendar year covered by the annual report.

2. Annual reports filed by hard copy shall be considered late if mailed or shipped with an overnight delivery service after March 1 of the year following the calendar year covered by the annual report. Hard copy reports

may only be filed by licensees who have received an exemption from the Department pursuant to N.J.A.C. 3:23-4.2 prior to filing.

3. Annual reports found by the Department to be incomplete shall be deemed not filed.

4. Any report not filed by the date due, including those deemed not filed, shall be considered late and will be subject to penalty.

(b) A licensed lender, motor vehicle installment seller, home repair contractor, home financing agency, check casher, money transmitter, debt adjuster, foreign money transmitter, pawnbroker, insurance premium finance company and any other licensee that submits payment of the assessment imposed upon them pursuant to N.J.S.A. 17:1C-33 et seq. and N.J.A.C. 3:5 after the due date indicated on their assessment statement shall be subject to a penalty.

1. Assessments paid with a dishonored or returned check shall be considered unpaid until a replacement check is received by the Department.

2. Assessments not paid because a replacement check has not been received by the due date as required by (b)1 above shall be subject to a penalty.

(c) Unless otherwise prescribed by a statute applicable to a particular license type, a licensee who files a late annual report and/or whose assessment payment is unpaid after the date due as set forth in (a) above shall be subject to a penalty, in accordance with the following:

1. For late filing of the annual report, the penalty shall be \$50.00 per day.

2. For late payment of the assessment, the penalty shall be \$150.00 per day up to a maximum of 20 percent of the total assessment due.

(d) In addition to any monetary penalties a license shall be subject to revocation for an assessment that remains unpaid after the due date indicated on the assessment statement and/or for failing to file an annual report by the due date.

(e) The imposition of [this penalty] **penalties** shall not prevent the Department from imposing further penalties on the licensee for transacting business without a [licensee] **license**.

CHAPTER 15

LICENSED LENDERS: MORTGAGE BANKERS; CORRESPONDENT MORTGAGE BANKERS; MORTGAGE BROKERS; SECONDARY LENDERS; CONSUMER

LENDERS AND SALES FINANCE COMPANIES

3:15-2.1 Requirement to be licensed

(a) - (e) (No change.)

(f) If a licensee files a complete application for renewal of his or her license on or before the expiration date of any [biennial] licensing period, the licensee may continue to transact business without interruption until such time as he or she is notified that his or her application for renewal has been denied or that his or her license has been suspended or revoked. An application is complete if it is in proper form and includes [the necessary fees] **all required documentation**.

3:15-2.2 Application for [an initial] **a** license

(a) A person applying for [an initial] **a** license pursuant to the Act shall submit the following:

1. -8. (No change.)

[9. The biennial license fee as specified in N.J.A.C. 3:15-4.3;]

Recodify existing 10. and 11. as **9. and 10.** (No change in text.)

(b) -(c) (No change.)

(d) Application fees are nonrefundable.

3:15-2.3 Branch offices; branch licensing requirement; initial branch licensing application

(a) (No change.)

(b) The application for a branch office license shall include the following:

1. (No change.)

2. The address of the principal New Jersey place of business; **and**

3. The addresses of all branches to be licensed and a copy of the deed, lease or rental agreement for each, or a letter of intent for such a document. If a letter of intent is submitted, an executed copy of the document shall be provided within 60 days of approval of the application[;].

[4. A branch application fee as required by N.J.A.C. 3:15-4.2; and

5. The branch license fee as specified in N.J.A.C. 3:15-4.3.]

(c) - (f) (No change.)

(g) Application fees are nonrefundable.

3:15-2.4 Application for renewal of a license

(a) A person who holds in good standing a license as a licensed lender with authority to act as a mortgage banker, correspondent mortgage banker, mortgage broker, secondary mortgage lender, consumer lender or sales finance company who seeks to renew a license pursuant to this section shall submit the following in connection with the renewal application:

1. A completed renewal application form as prescribed by the Commissioner which shall include the following:

i. - ii.(No change.)

iii. A certification that the applicant has bond coverage as specified in N.J.A.C. 3:15-3.1, and net worth as specified by N.J.S.A. 17:11C-14 of the Act, in the case of a mortgage banker, correspondent mortgage banker, mortgage broker; or a certification that the applicant has bond coverage as specified in N.J.A.C. 3:15-3.1, and net worth and liquid assets as specified in N.J.S.A. 17:11C-15, in the case of a secondary mortgage lender; or a certification that the applicant has net worth and liquid assets as specified in N.J.S.A. 17:11C-16, in the case of a consumer lender[; and].

[iv. The biennial license fee as specified in N.J.A.C. 3:15-4.3.]

(b) No license shall be renewed unless all assessments due and owing as of the expiration date of the current license have been paid.

3:15-2.5 Branch offices; renewal of branch licenses

(a) A licensee in good standing who holds a license for a branch or branches with authority for the conduct of the business of a mortgage banker, correspondent mortgage banker, mortgage broker, secondary mortgage lender, consumer lender or sales finance company who wishes to renew a branch license pursuant to this section shall submit the following in connection with the renewal application:

1. A completed renewal application form as prescribed by the Commissioner which shall include the following for each branch to be renewed:

i.-ii. (No change.)

iii. The address of each branch whose license is being renewed[; and] .

[2. The branch licensing fee as specified in N.J.A.C. 3:15-4.3.]

3:15-2.6 Late renewal of licenses; late filing fees; reinstatement fees

(a) A person who submits a renewal application after the expiration of the license, but no later than 45 calendar days after such expiration, may renew by [paying the license fee as specified in N.J.A.C. 3:15-4. 3 and] paying a penalty for late filing of \$500.00.

(b) A person who submits a renewal application later than 45 but no more than 90 calendar days following the expiration of the license shall be required to submit an application for reinstatement of the license. Such application for reinstatement shall be on a form as prescribed by the Commissioner and shall be accompanied by [the license fee as specified in N.J.A.C. 3:15-4. 3 and] a **penalty for late filing of** \$700.00 [reinstatement fee] per license.

(c) A person who submits a renewal application later than 90 days following the expiration of the license shall be treated as a new licensee and be required to submit an application with [application and license fees] **a fee** as specified in N.J.A.C. 3:15-4.

[(d) The fees set forth in this section shall be as specified in (a), (b) and (c) above regardless of the number of authorities of the licensee.]

[(e)] **(d)** Payment of the fees **or penalties** under (a), (b) and (c) above shall be submitted in the form of a check made payable to "Treasurer--State of New Jersey."

[(f)] **(e)** The date of submission for this [subsection] **section** shall be the date the application is stamped received by the Department. If the licensee has proof of mailing issued by the post office or a pick-up receipt from a delivery service, that date shall be considered the date of submission.

[(g)] **(f)** (No change in text.)

(g) Application fees are nonrefundable.

3:15-2.7 Inactive license status; **application** fee

(a) A person holding an individual license in good standing with authority as a mortgage banker or correspondent mortgage banker or mortgage broker and/or as a secondary lender may apply to the Department, either at the time of license renewal or at any time during a [biennial] **licensing** period during which the individual license is active, to place that license in inactive status [by paying the appropriate fee and] by completing an inactive license status request form as prescribed by the Commissioner.

(b) A person holding a sole proprietorship license with authority as a mortgage banker or correspondent mortgage banker or mortgage broker and/or secondary lender in

good standing may apply to the Department, either at the time of license renewal or at any time during a [biennial] **licensing** period during which the sole proprietorship license is active, to place his individual right to licensure, but not the right of the sole proprietorship entity, in inactive status [by paying the appropriate fee and] by completing an inactive status request form as prescribed by the Commissioner.

(c) A person may keep his or her individual license and a person licensed as a sole proprietorship may keep his or her personal right to licensure but not the sole proprietorship licensure in inactive status for a period not to exceed three [biennial] license periods without becoming subject to re-examination, provided that:

1. A **new application** fee [of \$200.00 per biennial licensing period] **as set forth in (d) below** is paid **on reactivation**; and

2. The person is employed without significant break by another licensee in the mortgage banking business; correspondent mortgage banking business, mortgage brokering business or secondary lending business, or by a depository institution in this state provided that he or she works primarily in residential mortgage lending. For the purposes of this subsection, a significant break shall not exceed 120 days in any [biennial] licensing period.

(d) A person who holds an inactive individual license may reactivate the individual license by submitting an individual license reactivation form as prescribed by the Commissioner to the Department, including the payment of the appropriate license **application** fee as set forth in N.J.A.C. 3:15-4.3[, a \$200.00 reactivation fee] and proof of continuous employment as defined in (c) above.

(e) Application fees are nonrefundable.

3:15-2.8 Conversion of mortgage banking, correspondent mortgage banking, and mortgage brokering licenses

(a) A person licensed, in good standing, as a mortgage banker shall submit the following to convert from a mortgage banker to a correspondent mortgage banker, and a person licensed, in good standing, as a correspondent mortgage banker shall submit the following to convert from a correspondent mortgage banker to a mortgage banker:

1. (No change.)
2. A completed conversion form, which shall include the name and address of the licensee, the requested date of conversion and a copy of the licensee's most recent annual report of tangible net worth filed pursuant to N.J.A.C. 3:15-6.16; **and**
3. For a conversion to a correspondent mortgage banker, a signed affidavit from the president or other principal who owns, controls or votes 25 percent or more of the stock of the licensee, a general partner, a managing member or the sole proprietor stating that the licensee will not hold or service mortgage loans for more than 90 days in the regular course of business[; and] .

[4. A conversion fee of \$300.00 plus \$50.00 for each branch license, \$50.00 for each licensed individual and \$10.00 for each registered mortgage solicitor.]

(b) A licensee shall submit the following to convert from a mortgage banker or a correspondent mortgage banker to a mortgage broker, or from a mortgage broker to a mortgage banker or a correspondent mortgage banker:

1. (No change.)

2. A completed conversion form, which shall include the name and address of the licensee, the requested date of conversion and a copy of the licensee's most recent annual report of tangible net worth filed pursuant to N.J.A.C. 3:15-6.16; **and**

3. For a conversion to a mortgage broker, a signed affidavit from the president or other principal who owns, controls or votes 25 percent or more of the stock of the licensee, a general partner, a managing member or the sole proprietor stating that the licensee will not issue commitments or lock-ins in its name, will not close mortgage loans in its name, and will only charge borrowers application fees and discount points[; and] .

[4. A conversion fee of \$300.00 plus \$50.00 for each additional branch office and \$50.00 for each licensed individual and \$10.00 for each registered mortgage solicitor.]

(c) (No change.)

3:15-2.12 Responsibilities and replacement of the entity's licensed natural person

(a) (No change.)

(b) The individual licensee upon whom a licensed lender entity license is dependent shall be fully qualified by passing the written examination required by N.J.A.C. 3:15-2.9 and shall be responsible to perform the following:

1.-4. (No change.)

5. Ensure that license renewals and other licensing matters such as new branch office applications, changes of address, changes of name, change of control, change of business style, and requests for additional license authorities are submitted to the Department on the appropriate forms and accompanied by the required documentation[and fees];

6. - 7. (No change.)

3:15-2.13 Registration of mortgage solicitors

(a) (No change.)

(b) To register a mortgage solicitor, the prospective employing mortgage banker, correspondent mortgage banker or mortgage broker shall submit the following to the Department:

1. (No change.)

2. A \$100.00 registration fee. A mortgage solicitor who changes **his or her** employing mortgage [broker] **banker**, correspondent mortgage banker or mortgage broker within the two-year registration period shall be re-registered by the new employing licensee by filing a new registration form with the \$100.00 fee. [The employing licensee may obtain a duplicate certificate for \$15.00 in the event the original certificate is lost or destroyed.]

3. (No change.)

(c) The Department shall provide all employing licensees with a mortgage solicitor registration certificate for each solicitor that shall be renewable every two years. The registration shall run from July 1, [1997] **2007** to June 30, [1999] **2009** and for two-

year intervals thereafter. [For renewal, the licensee shall pay the \$100.00 fee for each mortgage solicitor and submit such forms as requested by the Commissioner.]

(d) - (e) (No change.)

(f) The Commissioner shall refuse to register a person who changes affiliation [two or more times in the calendar year,] if the Commissioner determines that the change is for the purpose of evading the licensing requirements of the Act.

(g) Registration fees are nonrefundable.

3:15-2.14 Change of control

(a) A licensee shall file a request for approval whenever a change of control of direct ownership of 25 percent or more of the licensee is planned. The change of control request shall be submitted at least 60 days prior to the anticipated sale date and shall include:

1. -2. (No change.)

[3. A fee in the amount of \$100.00;]

Recodify existing 4. and 5. as **3. and 4.** (No change in text.)

3:15-2.15 Discontinuation of licensed lender business activity

(a) When a licensed lender with authority to act as a mortgage banker, correspondent mortgage banker, mortgage broker or secondary mortgage lender discontinues its licensed business operations in New Jersey, the licensed lender shall:

1. - 7. (No change.)

8. Satisfy all outstanding obligations owed to the Department; [and]

9. Satisfy all filing requirements including the final annual report which report shall be for the year in which the licensed lender discontinues its licensed business operations in New Jersey[.];

10. Pay all assessments due and owing and prepay the base assessment for the year of the discontinuance by paying the amount of the most recently billed base assessment within 15 days after ceasing business or upon being acquired. Adjustments to the base assessment, if any, and the final volume assessment for the year of discontinuance will be billed in the year following the discontinuance. In the event of an acquisition, the amount carried forward shall be paid by the acquiring entity; and

11. Identify, in writing, the name, address and phone number of the person within the licensee's operation responsible for the payment of assessments.

(b) When a licensed lender with authority to act as a consumer lender or sales finance company discontinues its licensed business operations in New Jersey, the licensed lender shall:

1. - 5. (No change.)

6. Satisfy all outstanding obligations owed to the Department **including all assessments due and owing and prepay the base assessment for the year of the discontinuance by paying the amount of the most recently billed base assessment within 15 days after ceasing business or upon being acquired. Adjustments to the base assessment, if any, and the final volume assessment**

for the year of discontinuance will be billed in the year following the discontinuance; [and]

7. Satisfy all filing requirements including the final annual report which report shall be for the year in which the licensed lender discontinues its licensed business operations in New Jersey [.] **and**

8. Identify, in writing, the name, address and phone number of the person within the licensee's operation responsible for the payment of assessments.

SUBCHAPTER 4. FEES

3:15-4.2 Application fee [for an initial license]

(a) A person who is applying for [an initial] **a** license [for a principal office] under the Act shall pay an application fee to the Department [in the amount of \$300.00 regardless of the number of authorities requested in the application.] **as follows:**

1. One authority for an individual and/or company: \$700.00;

2. Two authorities for an individual and/or company: \$1,000;

3. Three authorities for an individual and/or company: \$1,300; and

4. Four authorities for an individual and/or company: \$1,600.

[(b) A person who is applying for an initial branch office license under the Act shall pay an application fee to the Department in the amount of \$200.00.]

[(c)] **(b)** A licensee who subsequently applies for an additional authority shall pay an application fee for each such application **of \$300.00 per authority for each individual and/or company.**

[(d)] **(c)** (No change in text.)

SUBCHAPTER 6. BOOKS AND RECORDS; EXAMINATIONS; ANNUAL REPORTS

3:15-6.3 Location of books and records

(a) -(b) (No change.)

(c) The approval of the Department to keep records at a site or office specified in (b)2 and 3 above shall be given only if the licensee enters into an agreement with the Department governing the maintenance and production of records at the site. The provisions of the agreement shall include, but shall not be limited to, the designation of the site where the records will be maintained, the fees and expenses chargeable by the Department for conducting examinations and investigations, **if any,** and the right of the Department to rescind the agreement.

(d) - (e) (No change.)

3:15-6.15 Charges for investigations

[The] **For any person not licensed or registered by the Department, the** Department [shall] **may** charge for investigations at the same rate as provided for examinations [of licensees] in N.J.A.C. 3:1-6.6. For the purposes of this section, investigations shall include investigations by the enforcement or examinations units of the Department and special investigations by the consumer services unit but shall not include routine efforts by the consumer services unit to research or resolve consumer complaints.

3:15-6.16 Reports to the Department

Each mortgage banker, correspondent mortgage banker, mortgage broker, secondary lender, consumer lender and sales finance company shall file a report with the Department annually on or before April 1 of each year. The report shall be submitted on forms provided by the Department and shall indicate the tangible net worth, net worth and liquid assets of the mortgage banker, correspondent mortgage banker, mortgage broker, secondary lender and consumer lender, as required. For mortgage banker, correspondent mortgage banker, mortgage broker and secondary lenders, the report shall indicate the warehousing lines available and outstanding. [The mortgage banker, correspondent mortgage banker, mortgage broker, secondary lender, consumer lender or sales finance company shall remit with each such report a \$100.00 filing fee. The] **In accordance with N.J.A.C. 3:1-7.6, the** Department shall assess a [\$50.00] penalty against any mortgage banker, correspondent mortgage banker, mortgage broker, secondary lender, consumer lender or sales finance company for each annual report filed late.

CHAPTER 16

PAWNBROKING LAW REGULATIONS

3:16-1.2 Licensing

(a)-(c) (No change.)

(d) An applicant for a license shall apply on a form supplied by the Commissioner, which shall require the following information:

1.- 2. (No change.)

3. The [license] **application** fee of [\$400.00] **\$500.00**;

4. - 8. (No change.)

(e) Application fees are not refundable.

3:16-2.1 Recordkeeping; reporting

(a) - (b) (No change.)

[(b)] **(c)** [The licensee shall remit a fee of \$100.00 for each such report filed. The]

In accordance with N.J.A.C. 3:1-7.6, the Department shall assess a [\$50.00] penalty against any licensee for each report the licensee files late.

[(c)] **(d)** (No change in text.)

CHAPTER 19

HOME REPAIR FINANCING ACT REGULATIONS

3:19-1.2 Licensing requirement

(a) - (b) (No change.)

(c) The [annual license] **application** fee for a home repair contractor shall be \$300.00 and \$60.00 for a home repair salesperson.

(d) Application fees are not refundable.

CHAPTER 22

INSURANCE PREMIUM FINANCE COMPANY ACT

3:22-1.3 Annual report; fee

Each insurance premium finance company licensee shall file, on or before February 1, an annual report as mandated by N.J.S.A. 17:16D-7. [The licensee shall remit

a fee of \$100.00 for each such report filed]. **In accordance with N.J.A.C. 3:1-7.6,** [The] **the** Department shall assess a [\$50.00] penalty against any licensee for each report the licensee files late.

CHAPTER 23

[LICENSE] FEES **AND ANNUAL REPORTS**

3:23-1.1 Purpose and [authority] **scope**

(a) This chapter shall implement the provisions of N.J.S.A. 17:1-8.1 which permits the Commissioner of Banking and Insurance to establish [license] **application** fees for new [and renewal] licenses issued by the Commissioner [for annual and biennial license periods. The license fees established by the Commissioner shall be subject to the limitations imposed by the provisions of the applicable statutes establishing the licenses].

(b) This chapter applies to all licensees as defined by N.J.A.C. 3:5-2.

3:23-2.1 [Licensees] **Application fees**

(a) All licensees governed by N.J.S.A. 17:11C-1 et seq. shall be subject to the application fees specified in N.J.A.C. 3:15-4.2.

(b) The following table indicates the [license] **application** fees established by the Commissioner of Banking and Insurance for [annual and biennial license periods, the maximum biennial license fees permitted by law and the specific statutory sections affected by the establishment of such biennial and annual license fees] **application fees other than those specified in N.J.A.C. 3:15-4.2.**

[Licensees]	Statutory Maximum Biennial Fee	Biennial Fee	Annual Fee
-------------	--------------------------------------	-----------------	------------

Money Transmitter			
(a) Money Transmitter	\$4,000.00	\$1,400.00	\$700.00
(b) Foreign Money Transmitter (N.J.S.A. 17:15C-9c)	\$4,000.00	\$1,200.00	\$600.00
(c) Check Cashier (N.J.S.A. 17:15A-40)	\$2,000.00	\$1,400.00	\$700.00
Retail Installment Sales			
(a) Motor Vehicle Installment Seller (N.J.S.A. 17:16C-8)	\$ 300.00	\$ 300.00	\$150.00
(b) Home Financing Agency (N.J.S.A. 17:16C-82(a))	\$ 600.00	\$ 600.00	\$300.00
(c) Home Repair Contractor (N.J.S.A. 17:16C-82(b))	\$ 300.00	\$ 300.00	\$150.00
(d) Home Repair Salesman (N.J.S.A. 17:16C-82(c))	\$ 60.00	\$ 60.00	\$ 30.00
Insurance Premium Finance Company	\$1,000.00	\$1,000.00	\$500.00]

<u>Licensees</u>	<u>Application Fee</u>
<u>1. Money Transmitter</u>	
<u>I. Money Transmitter</u>	<u>\$700.00</u>
<u>(N.J.S.A. 17:15C-7a)</u>	
<u>ii. Foreign Money Transmitter</u>	<u>\$700.00</u>
<u>(N.J.S.A. 17:15C-7a)</u>	
<u>2. Check Cashier</u>	<u>\$700.00</u>
<u>(N.J.S.A. 17:15A-33)</u>	
<u>3. Retail Installment Sales</u>	
<u>i. Motor Vehicle Installment Seller</u>	<u>\$ 300.00</u>
<u>(N.J.S.A. 17:16C-8)</u>	
<u>ii. Home Financing Agency</u>	<u>\$ 400.00</u>
<u>(N.J.S.A. 17:16C-82(a))</u>	
<u>iii. Home Repair Contractor</u>	<u>\$ 300.00</u>
<u>(N.J.S.A. 17:16C-82(b))</u>	
<u>iv. Home Repair Salesman</u>	<u>\$ 60.00</u>
<u>(N.J.S.A. 17:16C-82(c))</u>	
<u>4. Insurance Premium Finance Company</u>	<u>\$500.00</u>
<u>(N.J.S.A. 17:16D-4)</u>	
<u>5. Pawnbroker</u>	<u>\$ 500.00</u>
<u>(N.J.S.A. 45:22-4)</u>	
<u>6. Debt Adjuster</u>	
<u>(N.J.S.A. 17:16G-1 et seq.)</u>	<u>\$300.00</u>
<u>7. High Cost Home Loan Credit Counselor</u>	
<u>(N.J.S.A. 46:10-22 et seq.)</u>	<u>\$100.00</u>

(c) Application fees are nonrefundable.

SUBCHAPTER 3. MONEY TRANSMITTERS

3:23-3.1 License; application[;]fee

Each applicant for a license to conduct business as a money transmitter shall fill out a form supplied by the Commissioner of Banking and Insurance which complies with the mandates of N.J.S.A. 17:15C-7. A nonrefundable fee of [\$400.00]**\$700.00** for a money transmitter or [\$300.00 for] a foreign money transmitter shall accompany the application, but is not required to be paid for a renewal application.

3:23-3.2 Annual report[; fee]

(a) (No change.)

(b) [The money transmitter shall remit a fee of \$100.00 for each such report filed.

The] **In accordance with N.J.A.C. 3:1-7.6, the** Department shall assess a [\$50.00] penalty against any licensee for each report filed late.

SUBCHAPTER 4 ANNUAL REPORTS

3:23-4.1 Filing of annual reports

Unless otherwise prescribed by a statute applicable to a particular license type, each licensee listed in N.J.A.C. 3:23-2.1, including licensed lenders, shall file an annual report on or before April 1 on a form supplied by the Commissioner. The form shall include the licensee's name, address, volume of business(es), bonding information, if any, and may include other information that the licensee is required

by rule or by statute to maintain or report. The filing of annual reports by check cashers, insurance premium finance companies and pawnbrokers shall be governed by the provisions of N.J.S.A. 17:15A-45, 17:16D-7 and 45:22-12, respectively.

3:23-4.2 Electronic filing; exemption

(a) All annual reports shall be filed electronically.

(b) Licensees unable to file electronically may apply to the Department for an exemption from electronic filing.

(c) All exemption applications shall be forwarded to the Department by January 15 of the year in which the report is to be filed and shall include a statement certifying to the applicant's inability to file electronically and the reasons for that inability.

3:23-4.3 Late filings

(a) All annual reports shall be filed in accordance with N.J.A.C. 3:1-7.6.

(b) All annual reports filed late shall be subject to penalties as provided in N.J.A.C. 3:1-7.6.

(c) A final annual report shall be required for the calendar year in which the licensee discontinues its licensed business operations in New Jersey.

CHAPTER 24

CHECK CASHING

3:24-[1.5] **1.4** Application fees

(a) [The following] **An** application fee[s] **of \$700.00** shall be charged **for the following:**

1. Application for a principal office[, \$300.00];
2. Application for a full branch office[, \$250.00];
3. Application for a limited branch office[, \$250.00]; **and**
4. Application for a mobile office[, \$250.00, plus \$100.00 for each additional geographic location at which the mobile office will stop;
5. Application for change of control pursuant to N.J.S.A. 17:15A-42, \$250.00; and
6. Application for approval to change the address of an existing office, \$75.00].

3:24-[1.6] **1.5** Application process; requirements

(a) (No change.)

(b) In addition to the information required to be furnished to the Department by N.J.S.A. 17:15A-33 through 39, the applicant shall supply the following as part of its application for each director, substantial stockholder, officer, owner, partner, member, manager and employee of the business to be licensed:

1. A [Certificate of Certified Consent for criminal investigative purposes] **personal certification on a form supplied by the Commissioner;**
2. [Photographs] **A two-inch by two-inch passport style photograph** of the persons listed in (b) above;

3. [Fingerprint cards supplied with the application (Form FD-258 and SBI-19)] **Fingerprints in the manner currently required by the New Jersey State**

Police or their authorized representative;

4. Application fee(s) as required by N.J.A.C. 3:24-[1.5] **1.4;and**

5. Any other information or supporting documentation relating to the operation of the proposed check cashing business which the Commissioner may require[; and]

[6. A check in the amount of \$26.00 payable to the "Treasurer, State of New Jersey" and a second check in the amount required by the New Jersey State Police payable to the "Division of State Police-SBI" for each person for the costs of background investigations, including fingerprinting Fingerprints in the manner currently required by the New Jersey State Police or their authorized representative].

(c) - (j) (No change.)

3:24-6.1 Annual report[; fee]

Each check cashing licensee shall file, on or before March 1, an annual report as mandated by N.J.S.A. 17:15A-45. [The licensee shall submit a fee of \$100.00 with each report filed. The] **In accordance with N.J.A.C. 3:1-7.6, the** Department shall assess a [\$50.00] penalty against a licensee for each report the licensee files late.

3:24-6.2 Additional reports[; fee]

(a) (No change.)

[(b) Licensees filing a report pursuant to this section shall pay a fee of \$50.00 for each such report filed.]

[(c)] **(b)** (No change in text.)

CHAPTER 25

DEBT ADJUSTMENT AND CREDIT COUNSELING

3:25-2.2 Application for license or registration

(a) Prior to providing debt adjustment or credit counseling services, other than high-cost home loan credit counseling, a corporation shall obtain a license from the Department. The license application shall be on a form approved by the Commissioner and shall include the following information:

1. - 12. (No change.)

13. The license **application** fee required by N.J.A.C. [3:25-2.4] **3:23-2.1**;

and

14. (No change.)

(b) - (d) (No change.)

(e) Prior to providing high-cost home loan credit counseling services, a non-profit social service or credit counseling agency shall be registered by the Department. The registration application shall be on a form approved by the Commissioner and shall include the following information:

1. - 6. (No change.)

7. The registration **application** fee required by N.J.A.C. [3:25-2.4] **3:23-**

2.1; and

8. (No change.)

(f) - (i) (No change.)

Recodify existing N.J.A.C. 3:25-2.5 and 2.6 as **2.4 and 2.5** (No change in text.)

3:25-3.3 Right of investigation and examination

The Commissioner may make such investigations and examinations of any licensee or other person as he or she deems necessary to determine compliance with either of the Acts, these rules or orders issued by the Commissioner. For such purposes, he or she may examine, or compel by subpoena, the production of all relevant books, records, and other documents and materials relative to an examination or investigation. [The costs of examination of the activities of an agency licensed under the Debt Adjuster Act shall be borne by the licensee at the rates set forth in N.J.A.C. 3:1-6.6(b).]

CHAPTER 27

MONEY TRANSMITTERS

3:27-2.1 Requirement to be licensed

(a) (No change.)

(b) The license shall be renewable for subsequent [biennial] licensing periods commencing on [January 1, 2000] **July 1, 2007**.

3:27-2.2 Application for an initial license

(a) All persons applying for an initial license pursuant to the Act shall submit the following:

1. - 2. (No change.)

3. An audited financial statement prepared by a certified public accountant or a public accountant, in good standing, demonstrating proof of net worth as specified in N.J.A.C. 3:27-5.1; **and**

4. The application fee specified in N.J.A.C. 3:27-3.2 **and 3:23-2.1**.; and

5. The license fee specified in N.J.A.C. 3:27-3.3.]

(b) In addition, for each executive officer, key shareholder, officer, owner, partner and manager responsible for the business to be licensed, the following information is required to be furnished to the Department:

1. A [certified consent for criminal investigation purposes] **personal certification on a form supplied by the Commissioner**;

2. (No change.)

3. Fingerprints in the manner currently required by the New Jersey State Police or their authorized representative. In the case of a publicly traded corporation, its subsidiaries and affiliates, or a bank, bank holding company, and the subsidiaries and affiliates thereof, it is not required that the applicant furnish the fingerprints of each of the applicant's executive officers and of each officer or manager who will be in charge of the applicant's activities requiring licensure;

and

[4. Registration fee(s) as required by N.J.A.C. 3:27-3.4;]

[5.] **4.** Additional information, which may be specifically requested by the Commissioner from a particular applicant[; and].

[6. A check in the amount of \$26.00 payable to the "Treasurer, State of New Jersey" and a second check in the amount required by the New Jersey State

Police payable to the "Division of State Police--SBI" or their designee for each person for the costs of background investigations, including fingerprints].

(c) - (g) (No change.)

3:27-3.2 Application fees

(a) A person who is applying for an initial license under this Act shall pay an application fee to the Department [in the amount of \$400.00 for a money transmitter license or \$300.00 for a foreign money transmitter license] **in accordance with N.J.A.C.**

3:23-2.1.

(b) (No change.)

3:27-[3.6] **3.3** Annual report [and fee]

(a) – (c) (No change in text.)

(d) [The money transmitter, including foreign money transmitters, shall remit a fee of \$100.00 for each annual report filed.] Any licensee who fails to file a complete annual report in a timely manner, as set forth in (a) above, shall **pursuant to N.J.S.A. 17:15C-12** be assessed a penalty of \$100.00 per day for each day after the due date that the complete report remains unfiled.