

# RULE ADOPTIONS

## BANKING

### (a)

**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: Marlene Caride, Commissioner, Department of Banking and Insurance.

Effective Date: December 14, 2021.

New Expiration Date: December 14, 2028.

**Take notice** that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:15 were scheduled to expire on January 27, 2022. The rules implement the overall regulatory scheme for residential lending in New Jersey. The rules also put into action the New Jersey Residential Mortgage Lending Act, P.L. 2009, c. 53 (RMLA), which is codified at N.J.S.A. 17:11C-51 through 89. The RMLA was enacted in response to Federal requirements established in the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. §§ 5101 et seq. (SAFE Act). The SAFE Act requires a nationwide registry system, the Nationwide Mortgage Licensing System and Registry (NMLS&R), for all persons licensed by the states to engage in residential mortgage lending, brokerage, and origination activity. The functions to be performed by the NMLS&R include license application and renewal processing, fee collection, verification of satisfaction of pre-licensing education, national and State license examination requirements, and continuing education.

Subchapter 1 contains definitions, office requirements, rules on license names and an alternative or trade name, and the display of license requirements, and sets out the authority of the Commissioner. Subchapter 2 governs who must be licensed, applications for licenses, education requirements, renewal of licenses, and sale or transfer of license. Subchapter 3 governs bonding requirements. Subchapter 4 provides fees associated with licensing. Subchapter 5 sets forth tangible net worth requirements for licensees. Subchapter 6 governs requirements for keeping books and records, examinations, and annual reports and delivering electronically stored books, records, accounts, and documents to the Department of Banking and Insurance (Department).

Subchapter 7 governs insurance matters for mortgage lenders. Subchapter 8 contains the requirements governing advertising. Subchapter 9 sets out fees permitted to be charged to those obtaining mortgages. Subchapter 10 sets out characteristics of both first and secondary mortgage loans. Subchapter 11 is reserved. Subchapter 12 governs administrative actions and penalties issued by the Department.

The Department has reviewed these rules and has determined that the rules should be readopted without change. 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.

### (b)

**DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF BANKING**

**Notice of Readoption  
Credit Unions**

**Readoption with Technical Changes: N.J.A.C. 3:21**

Authority: N.J.S.A. 17:1-8.1 and 15.e, 17:1C-33 et seq., and 17:13-79 et seq.

Authorized By: Marlene Caride, Commissioner, Department of Banking and Insurance.

Effective Dates: November 30, 2021, Readoption;  
January 18, 2022, Technical Changes.

New Expiration Date: November 30, 2028.

**Take notice** that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:21 were scheduled to expire on December 23, 2021, pursuant to N.J.S.A. 52:14B-5.1. Pursuant to Executive Order Nos. 127 (2020) and 244 (2021) and P.L. 2021, c. 103, any chapter of the New Jersey Administrative Code that would otherwise have expired during the Public Health Emergency originally declared in Executive Order No. 103 (2020) is extended through January 1, 2022. Therefore, this chapter has not yet expired and the 30-day filing date pursuant to N.J.S.A. 52:14B-5.1.c has not yet occurred, therefore, pursuant to Executive Order No. 244 (2021), and P.L. 2021, c. 103, this notice of readoption is timely filed.

The Department of Banking and Insurance (Department) is readopting this chapter, which governs credit unions, with technical changes.

N.J.A.C. 3:21-1 authorizes the Commissioner of Banking and Insurance (Commissioner), with the concurrence of the appropriate Regional Director of the National Credit Union Administration, to designate certain credit unions as low-income credit unions (LICUs). The subchapter contains necessary definitions, sets forth the contents of applications, and the process for approval as a low-income credit union. This designation permits them to apply to participate in certain Federal programs, for example, as "Participating Credit Unions" pursuant to 12 CFR 705. LICUs, which the Federal government selects, may participate in the Community Development Revolving Loan Program for Credit Unions. The rules authorize the loss of designation in the event a credit union no longer meets the qualifying criteria. The Department proposes to amend this subchapter to reflect the change of the name of the New Jersey Credit Union League to the CrossState Credit Union Association (this change is also made at N.J.A.C. 3:21-2.1).

N.J.A.C. 3:21-2 addresses parity of New Jersey credit unions with Federal credit unions. It grants New Jersey credit unions permission to exercise any power, right, benefit, or privilege authorized now, or in the future, for Federal credit unions pursuant to Federal law or rules and regulations of the National Credit Union Administration. It also provides guidance to a New Jersey credit union when it seeks to exercise parity. The Department is making a technical change in this subchapter to reflect the change of the name of the New Jersey Credit Union League to the CrossState Credit Union Association. A technical change is made to the subchapter heading.

N.J.A.C. 3:21-3 permits branching by a State-chartered credit union. The subchapter sets forth the purpose and scope, including definitions. It also provides details on the power to establish branches, the criteria for the Commissioner to use in making a decision to approve an out-of-State State-chartered credit union to establish a branch in New Jersey and procedures to revoke or denial authority to open a branch.

N.J.A.C. 3:21-4 addresses standards for mergers of credit unions. It provides the determinations required to be made by the Commissioner for such an approval. Such determinations are focused on being satisfied that after the merger the credit union will operate in a safe and sound manner and the management has sufficient expertise to operate the credit union.

N.J.A.C. 3:21-5 requires each credit union to provide its official email address to the Department and update it, as necessary.