



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
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Commissioner

BULLETIN NO. 09-16

TO: ALL LICENSED LENDERS WITH MORTGAGE BANKER, CORRESPONDENT MORTGAGE BANKER, MORTGAGE BROKER, SECONDARY LENDER, CONSUMER LENDER AND/OR SALES FINANCE AUTHORITY(IES)

FROM: STEVEN M. GOLDMAN, COMMISSIONER

RE: P.L. 2009, C. 53 THE NEW JERSEY RESIDENTIAL MORTGAGE LENDING ACT

In response to new federal requirements established in the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. s. 5101, et seq., residential mortgage activity is now governed by The New Jersey Residential Mortgage Lending Act, P.L. 2009, c. 53, ("RMLA") The RMLA establishes licensing standards, business practices and oversight for residential mortgage lenders, correspondent mortgage lenders, residential mortgage brokers, qualified individual licensees and mortgage loan originators. These new terms will replace the terms mortgage banker, mortgage broker, correspondent mortgage banker, secondary lender and registered mortgage loan solicitor utilized in the New Jersey Licensed Lenders Act. Both residential first and residential second lending activities are authorized under each of the RMLA licenses. Consumer lender and sales finance activity will be governed by a separate statute, The New Jersey Consumer Finance Licensing Act, to be codified at N.J.S.A. 17:11C-1, et seq. (formerly the New Jersey Licensed Lenders Act). Licensed lender licenses with consumer lender and/or sales finance company authorities renewed on July 1, 2009 will expire on June 30, 2011. A separate bulletin addressing licensure under the Consumer Finance Licensing Act will be forthcoming.

Pursuant to the changes enacted in the RMLA, all licensed lender licenses with mortgage banker, correspondent mortgage banker, mortgage broker and/or secondary lender authorities and all mortgage solicitor registrations renewed on July 1, 2009 will expire on July 31, 2010. The processing of applications for licensure under the RMLA is anticipated to begin on or about January 1, 2010. The provisions of the Licensed Lenders Act will remain operative until July 31, 2010 to permit the orderly transition of mortgage licensees and solicitors under the Licensed Lenders Act to licensure under RMLA. A bulletin outlining specific timeframes for submission of applications for licensure under the RMLA from current licensees and registrants under the Licensed Lender Act, and from prospective business entities and individuals requiring licensure under RMLA will be issued in the near future. All licenses issued under the RMLA during 2010 will expire on December 31, 2010 and will be required to be renewed annually in December of each subsequent year.

The requirements under the RMLA for business licensure as a residential mortgage lender, correspondent mortgage lender or mortgage broker are as follows:

- *completed electronic application through the Nationwide Mortgage Licensing System and Registry which will assign a unique identifier
- *criminal history background check for all officers, directors, partners and owners of a controlling interest
- *general finding of responsibility and fitness for licensure
- *licensure of at least one officer, member, director, partner or owner as a qualified individual in connection with the business entity applicant
- *proof of surety bond coverage
- *demonstration of tangible net worth
- *such other requirements as the Commissioner may impose
- *payment of required fees, including non-refundable application fees set by the commissioner that shall not exceed \$2800.

The requirements under the RMLA for licensure as either a qualified individual licensee or a mortgage loan originator are as follows:

- *completed electronic application through the Nationwide Mortgage Licensing System and Registry which will assign a unique identifier
- *criminal history background check, credit report, and check of governmental information related to administrative, civil or criminal findings
- * character and fitness for licensure
- * employment by one residential mortgage lender or broker business licensee
- *completion of pre-licensing education
- *successful passage of written examination
- *completion of continuing education requirements during 2011, prior to renewal in January, 2012, and in each year thereafter
- *coverage under employing business licensee's surety bond
- *such other requirements as the Commissioner may impose
- *payment of required fees including non-refundable application set by the commissioner fees that shall not exceed \$500

All mortgage bankers, correspondent mortgage bankers and mortgage brokers are encouraged to provide a copy of this bulletin to their registered solicitors.

The Department intends to adopt new rules to implement the provisions of the RMLA. Notice(s) of its rulemaking action, Frequently Asked Questions, and sample forms will appear on the Department's website, www.state.nj.us/dobi/legsregs.htm, in the near future. A copy of this bulletin will also be posted to the website.

To access the text of the RMLA, please see http://www.njleg.state.nj.us/2008/Bills/AL09/53_.HTM.

5/12/09
Date

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

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