

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF LICENSED LENDERS)
WITH MORTGAGE BANKER,)
CORRESPONDENT MORTGAGE BANKER,)
MORTGAGE BROKER AND/OR SECONDARY)
LENDER AUTHORITY LICENSED UNDER,)
AND MORTGAGE SOLICITORS REGISTERED)
UNDER THE NEW JERSEY LICENSED) ORDER
LENDERS ACT, AND ALL INDIVIDUALS)
AND BUSINESS ENTITIES CONDITIONALLY)
APPROVED TO ENGAGE IN ACTIVITY)
REQUIRING LICENSURE UNDER THE NEW)
JERSEY RESIDENTIAL MORTGAGE)
LENDING ACT)

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“Commissioner”) pursuant to P.L. 2009, c. 53 (“the Act”) and all powers expressed or implied therein; and

IT APPEARING that sections 1 through 39 of P.L. 2009, c 53 enacted the New Jersey Residential Mortgage Lending Act, (“RMLA” or “the Act”); and

IT FURTHER APPEARING that in accordance with Order No. A09-112 and subject to further order of the Commissioner all mortgage banker, correspondent mortgage banker, mortgage broker and secondary lender licenses and mortgage solicitor registrations issued under the New Jersey Licensed Lenders Act, N.J.S.A. 17:11C-1 et seq. (“the LLA”), shall expire at 11:59 p.m. Eastern Time on July 31, 2010; and

IT FURTHER APPEARING that unless individuals and business entities currently licensed or registered under the LLA become licensed or conditionally approved under the RMLA, their authority to engage in regulated activity in New Jersey related to residential mortgage loans will expire on July 31, 2010; and

IT FURTHER APPEARING that pursuant to Section 74 of the Act the Commissioner is authorized to take anticipatory administrative action in advance of July 31, 2010 necessary to implement the provisions of the Act; and

IT FURTHER APPEARING that on August 3, 2009, to conform the current rules to and implement the provisions of the RMLA, a Notice of Proposal of new rules, repeals and amendments to various rules of the Department of Banking and Insurance (“Department”), was published in the New Jersey Register at 41 N.J.R. 2829(a); and

IT FURTHER APPEARING that the aforementioned rulemaking proposal was listed on Appendix B of Executive Order No. 1 issued by Hon. Chris Christie, Governor, on January 20, 2010 and, therefore, pursuant to the terms of that Executive Order, was not frozen and suspended; and

IT FURTHER APPEARING that on May 26, 2010, the said proposed new rules, repeals and amendments were adopted with substantive changes not requiring additional public notice and comment pursuant to N.J.A.C. 1:30-6.3, to be operative on July 31, 2010, and that the Notice of their adoption was published in the June 21, 2010 edition of the New Jersey Register at 42 N.J.R. 1139(b); and

IT FURTHER APPEARING that it is in the best interest of the licensed community, the Department and the public for the Department to provide an opportunity for the uninterrupted transition to licensure under the RMLA of individuals and business

entities currently licensed or registered under the LLA and for the timely initial licensure under the RMLA of individuals and business entities that are not currently licensed or registered; and

IT FURTHER APPEARING that commencing on or about January 4, 2010 the Department began accepting applications from qualified businesses and individuals for licensure under the RMLA as residential mortgage lenders, residential mortgage brokers, branch offices, qualified individual licensees, and mortgage loan originators, as applicable, submitted electronically through the [Nationwide Mortgage Licensing System & Registry](#) (“NMLS&R”); and

IT FURTHER APPEARING that in recent months and continuing through July 31, 2010 individuals have satisfied or will satisfy all of the requirements for licensure under the RMLA with the exception of demonstrating their financial responsibility through the submission of information that includes a credit report due to the inability of the NMLS&R to process requests for credit reports as referenced in [Order No. A10-103](#); and

IT FURTHER APPEARING that on the basis of their having done so, such individuals have been or will be conditionally approved to engage in activity requiring licensure under the RMLA through and beyond the time period ending on July 31, 2010, on which date the new rules, repeals and amendments adopted as referenced above will become operative;

NOW THEREFORE, IT IS on this 13th day of July, 2010 ORDERED that:

1. Individuals and business entities licensed or registered under the LLA shall continue to operate in accordance with all currently applicable provisions of Title 17 of the New Jersey Statutes Annotated and Title 3 of the New Jersey Administrative Code, which

requirements and provisions shall be deemed incorporated in this Order as if fully set forth herein, until the date on which their LLA license or registration expires or until such individuals are conditionally approved for licensure under the RMLA, whichever is earlier.


2. Individuals and business entities conditionally approved for licensure under the RMLA or granted licensure under the RMLA or acting in a manner requiring licensure under the RMLA shall be subject to and operate under the RMLA and the new and revised rules as set forth in the Notice of Proposal of New Rules, Repeals, and Amendments published in the New Jersey Register on August 3, 2009 at 41 N.J.R. 2829(a), as revised by the Notice of Adoption of those new rules, repeals and amendments referenced above published in the New Jersey Register on June 21, 2010 at 42 N.J.R. 1139(b). The Notices of Proposal and Adoption can be accessed on the Department's website at: <http://www.state.nj.us/dobi/legsregs.htm>.

3. Business entities currently licensed under the LLA shall immediately disseminate this Order to their licensed individuals and registered mortgage solicitors.

4. Business entities conditionally approved for licensure under the RMLA shall immediately disseminate this Order to their licensed qualified individuals and all mortgage loan originators licensed with their firm.

5. Nothing contained herein shall be deemed a waiver of the rights and authority of the Commissioner to enforce the provisions of the LLA and RMLA, and to withdraw, suspend or revoke any conditional approval or authority conferred hereunder for failure to comply with the terms of this Order or any future order of the Commissioner or on such other grounds as may be applicable and appropriate.

A failure by a licensed, registered or conditionally approved individual or business entity to comply with the provisions of this Order will subject the non-complying individual or business entity to sanctions pursuant to N.J.S.A. 17:11C-18 and/or N.J.S.A. 17:11C-70.



Garret Kopajathy,
Director, Division of Banking

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