

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3417

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2019

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 3417.

This bill, entitled the “Mortgage Servicers Licensing Act,” requires any person acting as a mortgage servicer to obtain a license from the Commissioner of Banking and Insurance for each main office and each branch office where their business is conducted, unless the person is exempt under certain exemptions provided by the bill. The bill defines a “mortgage servicer” as any person, wherever located, who performs certain functions for the holder of a residential mortgage loan secured by real property located in this State.

The bill provides that the commissioner would issue a mortgage servicer license to an applicant if the commissioner makes certain findings, including that the applicant has met certain financial, character, and fitness requirements.

The bill requires a mortgage servicer to annually file with the commissioner certain information regarding the mortgages that it services in the State. The bill also requires mortgage servicers to file with the commissioner a surety bond, fidelity bond, and evidence of coverage, that meet certain standards set forth in the bill.

Under the bill, a mortgage servicer and a person exempt from licensure are required to maintain adequate records of each residential mortgage loan transaction and are required to produce the records upon request of the commissioner. Upon assigning the servicing rights on a residential mortgage loan, a servicer would have to make certain disclosures to the mortgagor set forth in the bill. A mortgage servicer would also have to maintain a schedule of fees charged to mortgagors. The bill also prohibits certain unfair and deceptive trade practices.

The bill provides the commissioner the authority to conduct investigations and examinations of mortgage servicers. The commissioner can suspend, revoke, or refuse to renew a mortgage servicer license for certain reasons set forth in the bill.

The bill provides the commissioner the authority to adopt rules and regulations, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), including any fines or penalties, necessary to effectuate the provisions of the bill.