

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 4238

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Senate Commerce Committee reports favorably Senate Bill No. 4238.

This bill requires certain consumer contracts to include translations to languages other than English.

The bill requires any person who sells, attempts to sell or offers for sale any merchandise and does so primarily in a language other than English, orally or in writing, prior to the execution of a contract or agreement for the sale of merchandise, to deliver to the other party to the contract or agreement a copy or translation of the contract or agreement in that language, that includes a translation of every term and condition in that contract or agreement. This requirement of the bill applies to certain consumer contracts, certain motor vehicle contracts, consumer loans or extensions of credit, leases and other residential rental contracts, contracts for legal services, and foreclosure consulting contracts.

The bill requires financial organizations that negotiate primarily in a language other than English, whether orally or in writing, in the course of entering into a contract or agreement for a loan or extension of credit secured by residential real property, to deliver to the other party a copy of the contract or agreement in the language in which the negotiations were conducted, prior to the execution of the contract or agreement, along with certain forms from the federal Consumer Financial Protection Bureau translated in the applicable language.

The bill also requires any person that negotiates the modification of any of the terms of a contract or agreement covered by the bill, that does so primarily in a language other than English, whether orally or in writing, and that offers a final modification in writing, to deliver to the consumer or borrower, at the time the modification offer is made, a form summarizing the modified terms of the contract or agreement in the same language as the negotiation.

The bill provides it is not to be construed to require any person to sell, attempt to sell or offer for sale any merchandise in a language other than English, and the requirements of the bill do not apply to a sale, attempt to sell, or offer for sale of any merchandise by which, at the direction of a consumer, the terms of the contract or agreement are translated, orally or in writing, into a language

other than English by a third party who is not party to the contract or agreement.