

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2077**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 1, 1998

The Assembly Banking and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 2077.

This bill, as amended, clarifies that an advance of principal made with respect to a mortgage other than a line of credit does not have the lien priority of the original mortgage; it is not a "modification" pursuant to P.L.1985, c.353 (C.46:9-8.1 et seq.).

Amendments to the bill clarify that payments for taxes, assessments and insurance and other payments made by the mortgagee under the terms of the mortgage or line of credit are to be included in the amount which have priority under section 2 of P.L.1985, c.353(C.46:9-8.2) for first mortgages as well as for second mortgages.