

SENATE STATE GOVERNMENT, BANKING AND FINANCIAL
INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 1087

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 1998

The Senate State Government, Banking and Financial Institutions Committee reports favorably and with committee amendments, Senate Bill No. 1087.

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.).

In addition, the bill clarifies 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 and subsequent mortgages.

As amended, Senate, No. 1087 is identical to Assembly, No. 2077 (1R).

COMMITTEE AMENDMENTS

The committee amended the bill to 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 and subsequent mortgages.