

17:16F-2, 17:16F-3, 17:16F-6

LEGISLATIVE HISTORY CHECKLIST

(Mortgages--Prohibit discrimination against individuals who make verbal applications)

HJSA 17:16F-2, 17:16F-3, 17:16F-6

LAWS OF 1979

CHAPTER 148

Bill No. A3019

Sponsor(s) Mays and others

Date Introduced Jan. 11, 1979

Committee: Assembly Banking and Insurance

Senate County and Municipal Govt.

Amended during passage Yes No

Date of Passage: Assembly April 23, 1979

Senate May 24, 1979

Date of approval July 16, 1979

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Reports and hearings mentioned in Assembly Committee Statement:

974.90 N.J. Legislature. Assembly Commission to
H842 Study the Availability of Urban Housing.
1978f Housing needs and opportunities in
New Jersey cities; report of the Commission...
to study the availability of adequate
housing in New Jersey with particular
emphasis on urban housing opportunities.
December 26, 1978.

9/1/78

(over)

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ASSEMBLY, No. 3019

STATE OF NEW JERSEY

INTRODUCED JANUARY 11, 1979

By Assemblymen MAYS, PASCULLI, T. GALLO, COWAN,
JANISZEWSKI and ADUBATO

Referred to Committee on Banking and Insurance

AN ACT concerning discrimination in mortgage lending and amend-
ing P. L. 1977, c. 1 (C. 17:16F-1 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 2 of P. L. 1977, c. 1 (C. 17:16F-2) is amended to
2 read as follows:

3 2. As used in this act:

4 a. "Depository institution" means any banking institutions as
5 defined in section 1 of the Banking Act of 1948, P. L. 1948, c. 67
6 (C. 17:9A-1), any association as defined in the Savings and Loan
7 Act (1963), P. L. 1963, c. 144 (C. 17:12B-1 et seq.), and any State
8 or Federal credit union but the provisions of section 4 of this act
9 shall not apply to any depository institution which had total assets
10 of \$10,000,000.00 or less as of the last day of its last full fiscal year.

11 b. "Mortgage loan" means a loan which is secured by residential
12 real property or a home improvement loan.

13 c. "Applicant" means any person who files with a depository
14 institution a written, *or oral in-person*, request containing such
15 information as *is reasonably* required by the depository institution
16 for a mortgage loan as defined in this act.

1 2. Section 3 of P. L. 1977, c. 1 (C. 17:16F-3) is amended to
2 read as follows:

3 3. a. No depository institution shall discriminate *by intent or*
4 *in effect*, on a basis that is arbitrary or unsupported by a reasonable
5 analysis of the lending risks associated with the applicant for a
6 given loan or the condition of the property to secure it, in the *ac-*
7 *cepting of applications*, granting, withholding, extending, modify-
8 ing or renewing, or in the fixing of the rates, terms, conditions, or

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

9 provisions of any mortgage loan on real property located in the
 10 municipality in which a depository institution has a home or branch
 11 office, or in any municipality contiguous to such municipality,
 12 merely because such property is located in a specific neighborhood
 13 or geographical area; provided, however, that it shall not be a
 14 violation of this section if the mortgage loan is made pursuant to
 15 a specific public or private program, the purpose of which is to
 16 increase the availability of mortgage loans within a specific neigh-
 17 borhood or geographical area.

18 *b. No depository institution may discourage, or refuse to allow,*
 19 *receive, or consider, any application, request, or inquiry regarding*
 20 *a mortgage loan, or discriminate in imposing conditions upon, or*
 21 *in processing, any such application, request, or inquiry on any*
 22 *basis prohibited by law.*

1 3. Section 6 of P. L. 1977, c. 1 (C. 17:16F-6) is amended to
 2 read as follows:

3 6. Any information required to be compiled and made available
 4 under this act shall be maintained and made available for a period
 5 of 5 years after the close of the first year during which such
 6 information is required to be maintained and made available. A
 7 copy shall be filed ~~annually~~ *quarterly* with the Commissioner of
 8 Banking and the Director of the Division on Civil Rights of the
 9 Department of Law and Public Safety.

1 4. This act shall take effect immediately.

STATEMENT

This bill strengthens certain language in P. L. 1977, c. 1 prohibit-
 ing discrimination in mortgage lending. It broadens the definition
 of mortgage "applicant" to include not only those who apply for
 mortgages in writing but also those who make in-person requests,
 thereby bringing the law into conformity with Federal rules and
 regulations and the Federal Equal Credit Opportunity Act. The
 bill also prohibits loan officers from verbally discouraging persons
 from making written mortgage applications. Finally, the bill re-
 quires lending institutions to make quarterly rather than annual
 reports to the Department of Banking to allow for more orderly
 processing of data and efficient use of Department personnel.

A3019(1979)

ASSEMBLY BANKING AND INSURANCE COMMITTEE
STATEMENT TO
ASSEMBLY, No. 3019

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1979

This legislation amends P. L. 1977, c. 1 (the Anti-Redlining Law). The bill redefines "applicant" as one who files with a depository institution an oral, in-person request as well as a written request for a mortgage loan. The legislation further provides that an institution may not discriminate either "by intent or in effect." It would also prohibit discrimination by an institution which takes the form of refusing to accept applications. The legislation further provides that depository institutions may not discourage, refuse to allow, receive, or consider, any application, request or inquiry regarding a mortgage loan, or discriminate in imposing conditions upon or in processing any application, request, or inquiry.

These provisions amending the Anti-Redlining Law were recommended by the Assembly Housing Commission in their report released in December. The commission determined, after discussing the question with the Department of Banking and the Office of the Public Advocate that such amendments to the legislation were desirable to keep institutions from circumventing the law by discouraging or refusing to accept applications for mortgage loans in certain areas. In many respects this legislation parallels existing Federal law and regulation. The Banking and Insurance Committee reports this legislation favorably.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3019

STATE OF NEW JERSEY

DATED: MAY 10, 1979

The Senate committee inserts herein the sponsor's statement for the purposes of establishing legislative intent:

“This bill strengthens certain language in P. L. 1977, c. 1 prohibiting discrimination in mortgage lending. It broadens the definition of mortgage “applicant” to include not only those who apply for mortgages in writing but also those who make in-person requests, thereby bringing the law into conformity with Federal rules and regulations and the Federal Equal Credit Opportunity Act. The bill also prohibits loan officers from verbally discouraging persons from making written mortgage applications. Finally, the bill requires lending institutions to make quarterly rather than annual reports to the Department of Banking to allow for more orderly processing of data and efficient use of Department personnel.”

The committee heard statements from the State Department of Banking and the New Jersey Bankers' Association in support of the bill.

The question was raised during the committee discussion as to whether or not the term “oral in-person request” would include a telephone request. The committee herein states its understanding that it does not.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JULY 16, 1979

PAT SWEENEY

Governor Brendan Byrne today signed the following bills into law in a public ceremony in his office.

A-3019, sponsored by Assemblyman Charles Mays, Sr. (D-Hudson), amends and strengthens the anti-redlining law. The bill amends the definition of an "applicant" to include someone making an "oral-in-person" request for a mortgage loan. This provision helps prevent lenders from discriminatorily discouraging those who request mortgage applications.

The bill further prohibits discrimination "by intent or effect." This provision prohibits certain lending practices which have a particularly adverse impact in urban areas. For example, a policy against making loans on property with more than three dwelling units has the effect of severely limiting the availability of mortgages in the cities, while the suburban impact is not as great.

A-205, sponsored by Assemblyman Richard F. Vistocky (D-Bergen), which amends the "Continuing Pharmaceutical Education Act" to provide that a registered pharmacist affix to the container in which the prescription is dispensed the brand name or generic name of the product dispensed unless the prescriber states otherwise on the original written prescription. This bill will take effect ninety days after enactment.

A-1527, sponsored by Assemblywoman Barbara W. McConnell (D-Hunterdon), exempts from a \$40 annual registration fee for a license plate of a school vehicle any vehicle with a seating capacity of less than sixteen used to transport children from summer day camps or summer residence camps from May 15 to September 15 of any year.

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