

17:9A-181

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:9A-181 (mutually owned Saving banks--requirements for residential mortgage loans.)

Laws of 1977 Chapter 62

Bill No. A1858

Sponsor(s) Van Wagner and others

Date Introduced April 3, 1976

Committee: Assembly Commerce, Banking & Insurance

Senate Labor, Industry and Professions

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of passage: Assembly Nov. 9, 1976

Senate Feb. 1, 1977

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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~~

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ASSEMBLY, No. 1858

STATE OF NEW JERSEY

INTRODUCED APRIL 8, 1976

By Assemblymen VAN WAGNER, FLYNN, BORNHEIMER,
RAND, D. GALLO and DORSEY

Referred to Committee on Commerce, Banking and Insurance

AN ACT to amend "The Banking Act of 1948," approved April 29,
1948 (P. L. 1948, c. 67).

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

1 1. Section 181 of P. L. 1948, c. 67 (C. 17:9A-181) is amended to
2 read as follows:

3 Sec. 181. Mortgage loans.

4 A. 1. A savings bank may make or invest in mortgage loans in
5 the manner and subject to the limitations prescribed by this section.
6 For the purposes of this section, "mortgage loan" shall include
7 every indebtedness secured by mortgage on real property, or on a
8 lease of the fee of real property (in any case in which such lease is
9 lawful security for such mortgage loan), except as otherwise pro-
10 vided by subsection Q. of this section, and a savings bank shall be
11 deemed to have made a mortgage loan when

12 (a) it lends or participates in lending money to a borrower upon
13 the security of real property; or

14 (b) it acquires, by purchase or otherwise, a mortgage loan or
15 any share or part of or interest in a mortgage loan which is not
16 subordinate to any share or part thereof or interest therein held
17 by any other person.

18 A savings bank may sell, assign or otherwise dispose of a share
19 or part of or interest in a mortgage loan held by it to any other
20 person.

1 A. 2. For all purposes of compliance with the applicable pro-
2 visions and restrictions of subsection D., **[E.]** F. and G. of this
3 section as to the percentage of the mortgage loan to the appraised
4 value of the mortgaged property, and the term of and rate of

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

5 amortization of such loan, the date of the acquisition by a savings
6 bank of a mortgage loan or a share or part thereof or interest
7 therein shall, as respects such savings bank, be deemed to be the
8 date as of which the mortgage loan was made and the unpaid
9 amount of the principal then due shall be deemed to be the amount
10 of such mortgage loan.

1 B. No savings bank shall make a mortgage loan at any time when
2 the total cost of acquisition by the savings bank of all real property
3 owned by it, other than real property held for the purposes specified
4 in subparagraph (a) of paragraph (5) of section 24, and the total
5 of all principal balances owing to the savings bank on mortgage
6 loans, less all write-offs and reserves with respect to such real
7 property and mortgage loans, together exceeds, or by the making
8 of such loan will exceed, 80% of its deposits. For the purposes, of
9 this subsection, principal balances owing on mortgage loans made
10 pursuant to subsection Q. (1) of this section shall, only to the
11 extent of the unguaranteed portion of such balances, and loans
12 made pursuant to subsection Q. (2) of this section shall, only to
13 the extent of 50% of such balances, be included in the total of all
14 principal balances owing to the savings bank on mortgage loans;
15 and for the purposes of this subsection, principal balances owing
16 on mortgage loans made by the use of funds received by the bank
17 pursuant to the provisions of the "New Jersey Mortgage Finance
18 Agency Law" (P. L. 1970, c. 38, C. 17:1B-4 et seq.), shall, only
19 to the extent of 50% of such balances, be included in the total of
20 all principal balances, owing to the savings bank on mortgage loans.

1 C. Every mortgage loan shall be evidenced by a note or bond, and
2 shall be secured by a mortgage on the fee of real property located
3 within this State, or, if outside this State, upon the fee of real
4 property located within 50 miles of the border of this State. Every
5 mortgage shall be certified to be a first lien by an attorney at law
6 of the State in which the real property is located, or certified or
7 guaranteed to be a first lien by a corporation authorized to
8 guarantee titles to land in such State. For the purposes of this
9 section, a mortgage shall be deemed to be a first lien, notwith-
10 standing the existence of a prior mortgage or mortgages held by
11 the savings bank, or a lien for current taxes or assessments not
12 due or payable at the time the loan is made, and notwithstanding
13 the existence of leases, building restrictions, easements, encroach-
14 ments, or covenants which, in the opinion of an officer of the savings
15 bank designated for that purpose by the board of managers, do
16 not materially lessen the value of the real property to be mortgaged.

1 D. When the real property offered as security for a mortgage
 2 loan consists of a lot of land, *or, in the case of condominiums, an*
 3 *interest in a lot of land*, upon which there is one or more one-, two-,
 4 *three-, or four-family dwellings* including appropriate garages
 5 or other outbuildings, if any, or upon which such dwelling or
 6 dwellings, garages or outbuildings are in the course of construction
 7 or are to be constructed, the amount of the mortgage loan shall not
 8 exceed **[(a) 75% of the appraised value of the real property, or**
 9 **2% of the deposits of the savings bank, whichever is lesser; or**
 10 **(b) 80% of the appraised value of the real property, or \$35,000.00,**
 11 **whichever is lesser; or (c)] 90% of the appraised value of the real**
 12 **property[, or \$25,000.00, whichever is lesser, provided that the**
 13 **dwelling or dwellings are not more than 10 years old.];** *provided,*
 14 *however, where mortgage guaranty insurance is issued incident*
 15 *to such loan pursuant to the provisions of the Mortgage Guaranty*
 16 *Insurance Act, P. L. 1968, c. 248 (C. 17:46A-1 et seq.), the amount*
 17 *of the mortgage loan shall not exceed 95% of the appraised value*
 18 *of the real property.*

1 E. **[When the real property offered as security for a mortgage**
 2 **loan consists of a lot of land upon which there is one or more two-,**
 3 **three-, four-family dwellings** including appropriate garages or
 4 other outbuildings, if any, or upon which such a dwelling or dwell-
 5 ings and appropriate garages or other outbuildings are in the
 6 course of construction or are to be constructed, the amount of the
 7 mortgage loan shall not exceed 80% of the first \$30,000.00 of the
 8 appraised value of the real property, plus 50% of the excess, if
 9 any, of such appraised value over \$30,000.00.] *(Deleted by*
 10 *amendment.)*

1 F. The instrument evidencing a mortgage loan made pursuant to
 2 **[either]** subsection D. **[or subsection E.]** of this section shall
 3 require that

4 (1) interest shall be paid on such loan monthly, and that equal
 5 monthly payments be made in reduction of such loan of an annual
 6 rate equal to at least **[3 $\frac{1}{3}$]** *2 1/2%* of the original amount of such
 7 loan; or

8 (2) that a constant sum be paid monthly in an amount sufficient
 9 for current interest and for the payment of the loan in full in not
 10 more than 40 years and 1 month from the making of such loan.

1 G. When the real property offered as security for a mortgage loan
 2 consists of a lot of land upon which there is a building or buildings
 3 other than dwellings of the nature described in **[subsections D. and**
 4 **E.]** *subsection D.* of this section, or upon which such other

5 buildings are in the course of construction, or are to be constructed,
6 or when such land is paved for parking lot purposes, the amount of
7 the mortgage loan shall not exceed ~~75%~~ 80% of appraised value
8 of such real property. The instrument evidencing a mortgage loan
9 made pursuant to this subsection shall require that the loan be
10 repaid in full in not more than ~~25 years and 1 month from the date~~
11 ~~it is made;~~ 30 years and 1 month from the date it is made; and (a)
12 if the amount of such loan, when made, exceeds 50% of the
13 appraised value of the real property, that payments shall be made
14 in reduction thereof at least semiannually, at an annual rate equal
15 to at least 1% of the original amount of such loan; or (b) if the
16 amount of such loan, when made, does not exceed 50% of the
17 appraised value of the real property, that payments shall be made
18 in reduction thereof at least semiannually, at an annual rate equal
19 to at least ½% of the original amount of such loan~~;~~; *provided,*
20 *that, in lieu of such principal payments, the instrument evidencing*
21 *any mortgage loan may require equal monthly payments each*
22 *applicable to principal and interest in an amount sufficient to pay*
23 *current interest and to repay the amount of the loan in not more*
24 *than 30 years and 1 month from its date.* When, however, the
25 amount of such loan does not, when made, exceed 50% of the
26 appraised value of such real property, and the instrument evidenc-
27 ing such loan requires that it be paid in full in not more than 5
28 years and 1 month from the date it is made, the instrument need
29 not require that any payment be made in reduction of such loan
30 prior to its maturity date. Notwithstanding the limitations pre-
31 scribed by ~~subsections~~ subsection D. ~~and E.~~ and hereinabove
32 in this section, a savings bank may make a mortgage loan secured
33 by a lot of land or two or more lots of land, contiguous or not, upon
34 each of which there is a building or buildings, or upon each of
35 which a building or buildings are in the course of construction or
36 are to be constructed. The limitations of this section governing the
37 term of the loan, rate of amortization, and the percentage of the
38 mortgage loan to the appraised value of each type of building,
39 including land, shall apply. No loans shall be made under subsec-
40 tions D., ~~E.,~~ F., or G hereof to any one person or on any one
41 property if the loan shall exceed 15% of the surplus, *undivided*
42 *profits*, and reserves of the savings bank, or \$50,000.00, whichever
43 is greater.

1 H. When the real property offered as security for a mortgage
2 loan is of the nature described in subsection D. ~~or E.~~ of this
3 section, and the amount of the loan does not exceed 66⅔% of the
4 appraised value of such real property, the instrument evidencing

5 such loan shall be sufficient if it conforms to the requirements of
6 either subsection F. or subsection G. of this section.

1 I. A mortgage loan may be made for the purpose of enabling a
2 borrower to construct a building or buildings upon real property
3 owned by him, and, in such a case, the appraised value of the real
4 property shall include the value of the building or buildings to be
5 constructed, but at no time shall a greater sum be advanced on
6 account of such loan than, in the opinion of (1) the appraisers
7 hereinafter provided for, or (2) one of such appraisers and an
8 officer of the savings bank designated for that purpose by the board
9 of managers, is warranted by the state of completion of the build-
10 ings in process of construction. For the purposes of ecompliance
11 with the applicable requirements of subsection F. or G. of this
12 section as to the term of and the rate of amortization of a loan made
13 pursuant to this section, such loan shall be deemed to have been
14 made when the final advance shall be made to the borrower on such
15 loan, or **[18]** 60 months from the date of the mortgage securing
16 such loan, whichever is earlier.

1 J. When the real property offered as security for a mortgage
2 loan consists of unimproved land, and the proceeds of such loan are
3 not to be used to construct a building on such land, the amount of
4 such loan shall not exceed **[40%]** 50% of the appraised value of
5 such real property. When the real property offered as security for
6 a mortgage loan consists of unimproved land, and the proceeds of
7 such loan are to be used for improvements to the land, the amount
8 of such loan shall not exceed 75% of the appraised value of such
9 real property. The instrument evidencing a loan made pursuant to
10 this subsection shall require that such loan be paid in full in not
11 more than 10 years and 1 month from the date it is made. No loan
12 made pursuant to this subsection shall exceed \$10,000.00, or **[1/10]**
13 3/10 of 1% of the deposits of the savings bank, whichever is greater;
14 nor shall any loan be made at any time when the total of all such
15 loans exceeds, or if the making of such loan would cause such total
16 to exceed **[1%]** 2% of the deposits of the savings bank.

1 K. No mortgage loan shall be made except upon a written
2 certification signed by at least two persons, each of whom shall be
3 either a manager of the bank or an appraiser appointed by its
4 board of managers. In the case of a mortgage loan secured by a
5 mortgage upon real property, such certification shall state the
6 opinion of such persons as to the value of the land and the improve-
7 ments thereon or to be erected thereon and the character of such
8 improvements. In the case of a mortgage loan secured by a
9 mortgage upon a lease of the fee of real property, such certification
10 shall state the opinion of such person as to the value of the lease-

11 hold interest to be subject to the mortgage, including the leasehold
12 interest in the improvements erected or to be erected upon the
13 leased property and the character of such improvements. Such
14 certification shall be filed with the records of the bank, and shall
15 be preserved until the savings bank has no interest, as mortgagee
16 or otherwise, in the real property.

1 L. Purchase money mortgage loans made by a savings bank on
2 the sale of real property owned by it shall not be subject to the
3 preceding subsections or to subsection P. of this section, except that
4 such loans shall be included in determining whether the total
5 amount of mortgage loans held by a savings bank exceeds 80% of
6 its deposits.

1 M. No savings bank shall make a mortgage loan secured by a
2 mortgage upon a lease of the fee of real property unless

3 (1) the leased property is located within this State or, if out-
4 side this State, the leased property is located within 50 miles of
5 the border of this State;

6 (2) the leased property shall consist of improved real property,
7 including farm lands, or unimproved real property if the proceeds
8 of such loan shall be used for the purpose of erecting improve-
9 ments thereon;

10 (3) the mortgage securing such loan shall constitute a first lien
11 on a lease of the fee of real property, which fee is not subject to
12 any prior lien; the fee shall be deemed not subject to any prior
13 lien notwithstanding the existence of liens of taxes which are not
14 delinquent, building restrictions or other restrictive covenants or
15 conditions, joint driveways, sewer rights, rights in walls, rights-of-
16 way or other easements, or encroachments, which the person sign-
17 ing the certificate provided for in subsection K. of this section
18 report in their opinion do not materially affect the security for the
19 mortgage loan. Every mortgage shall be certified to be such a
20 first lien by an attorney-at-law of the State in which the real prop-
21 erty is located, or certified or guaranteed to be such a first lien by
22 a corporation authorized to guarantee titles to land in such State;

23 (4) such loan shall not exceed 66 $\frac{2}{3}$ % of the appraised value of
24 the leasehold interest subject to the mortgage, including the lease-
25 hold interest in the improvements erected upon the mortgaged
26 property, or to be erected thereon wholly or partly with the pro-
27 ceeds of the mortgage loan; and

28 (5) the instrument evidencing the loan shall require that pay-
29 ment be made on account of the principal amount of such loan at
30 an annual rate sufficient to repay such loan not later than 1 year
31 prior to the expiration of the lease.

1 N. The instrument evidencing a mortgage loan may be in such
2 form, and may contain such provisions, not inconsistent with law,
3 as the savings bank may choose to insert for the protection of its
4 lien and the preservation of its interest in the real property
5 mortgaged to it.

1 O. Notwithstanding the limitations prescribed by the preceding
2 subsections or by subsection P. of this section, a savings bank may
3 (1) for the purposes of preventing or mitigating loss, or of
4 preserving the lien of its mortgage, or of conserving the value of
5 the real property affected by its mortgage, (a) extend the time for
6 the payment of principal or interest, (b) modify or waive any of
7 the terms or conditions of the instrument evidencing a mortgage
8 loan, (c) settle or compromise all or part of the amount due or to
9 grow due on a mortgage loan, (d) sell or assign the mortgage loan,
10 or a share or part thereof or interest therein, for such considera-
11 tion as it shall deem proper, and (e) advance funds for the payment
12 of any tax, lien, charge or claim whatsoever; and

13 (2) make a loan in addition to an existing mortgage loan or loans
14 held by it, upon the security of the same real property and secured
15 by the existing mortgage or mortgages, in an amount not to exceed
16 the difference between the balance due on the existing mortgage or
17 mortgages and the original amount thereof, [or the sum of
18 \$10,000.00, whichever is less]; provided, however, that no such
19 additional loan shall be made which shall increase the total amount
20 due upon such mortgages over the amount which could be loaned
21 upon the security of such real property. Such additional loan shall
22 be repaid in equal monthly installments, beginning within 1 year
23 from the date of such loan, with the payments adjusted so that the
24 additional loan shall be repaid in full either before or at the ma-
25 turity of the existing mortgage. If the unexpired term of such
26 mortgage or mortgages shall have been reduced to [10] 15 years
27 or less, such term may be extended for an additional period of not
28 more than [10] 15 years. Adjustment of payments and extension
29 of mortgage terms pursuant to this section shall comply with the
30 provisions of subsection F., G. or H. of this section. If so pro-
31 vided in the original mortgage or a supplement or amendment
32 thereto, persons who acquire any rights in or liens upon the
33 mortgaged real property subsequent to the recording of the
34 original mortgage or such supplement or amendment, as the case
35 may be, shall hold such rights and liens subject to the prior lien
36 of the original mortgage and such supplement or amendment, if
37 any, as security for such additional loan; and in such case, no title
38 certificate or insurance under subsection C. of this section shall be
39 required with respect to such additional loan.

1 P. Except as otherwise provided by this section, no savings bank
 2 shall make a mortgage loan if the making of such loan would cause
 3 the total of all unpaid balances of such loans held by the savings
 4 bank upon the security of the same real property or leasehold, to
 5 exceed the limitations imposed by this section upon the amount of a
 6 mortgage loan which may be made upon the security of such real
 7 property of such leasehold.

1 Q. A savings bank may invest in

2 (1) (a) veterans loans, wherever located, made pursuant to Title
 3 III of the Act of Congress of June 22, 1944, known as the "Service-
 4 men's Readjustment Act of 1944," as amended, supplemented,
 5 revised, or recodified from time to time, which the Administrator
 6 of Veterans' Affairs or other officer or agency which succeeds to
 7 his powers and functions under said act has insured or guaranteed
 8 or has made a commitment to insure or guarantee, to the extent
 9 and in the manner provided in said act or the regulations made
 10 thereunder; and

11 (b) veterans' loans, wherever located, made and insured or
 12 guaranteed in part as provided in paragraph (1) (a) of this sub-
 13 section of this section, and, as to the balance thereof, insured or
 14 guaranteed by an insurer or guarantor named or described in para-
 15 graph (2) of this subsection of this section.

16 (c) [the provisions and restrictions contained in this section,
 17 except those relating to the percentage of the mortgage loan to the
 18 appraised value of the real property, the location of the real prop-
 19 erty, the term of the loan and the rate of amortization, shall apply
 20 to investments made pursuant to paragraph (1) of this subsection
 21 of this section, provided however that said loans and investments
 22 shall not be subject to the provisions of any law of this State pre-
 23 scribing or limiting the interest which may be taken upon such
 24 loans or investments.] *mortgages or deeds of trust or other*
 25 *securities made pursuant to paragraph 1 (a) of this subsection of*
 26 *this section shall not be subject to the provisions and restrictions*
 27 *of this section, except that they shall be included in determining*
 28 *whether total mortgage investments are within the limitation pre-*
 29 *scribed by subsection B. of this section, provided however, that*
 30 *said mortgages or deeds of trust or other securities shall not be*
 31 *subject to the provisions of any law of this State prescribing or*
 32 *limiting the interest which may be taken upon such loans or in-*
 33 *vestments.*

34 (2) (a) mortgages or deeds of trust or other securities of the
 35 character of mortgages which are first liens on the fee of real

36 property or a lease of the fee of real property, wherever located,
 37 which (i) the United States, or (ii) the Federal Housing Commis-
 38 sioner under the Act of Congress of June 27, 1934, known as the
 39 "National Housing Act," as amended, supplemented, revised or
 40 recodified from time to time, or other officer or agency which
 41 succeeds to his powers and functions, or (iii) the State of New
 42 Jersey or an officer or agency thereof, or (iv) any other officer or
 43 agency of the United States or of this State which the commis-
 44 sioner shall have approved for the purposes of this section as an
 45 insurer or guarantor, has fully insured or guaranteed or made a
 46 commitment to fully insure or guarantee.

47 (b) mortgages or deeds of trust or other securities made pur-
 48 suant to paragraph 2 (a) of this subsection of this section shall not
 49 be subject to the provisions and restrictions of this section, except
 50 that they shall be included in determining whether total mortgage
 51 investments are within the limitation prescribed by subsection B. of
 52 this section, provided however, that said mortgages or deeds of
 53 trust or other securities shall not be subject to the provisions of
 54 any law of this State prescribing or limiting the interest which may
 55 be taken upon such loans or investments.

1 R. The commissioner may, from time to time, [with the concu-
 2 rence of the banking advisory board,] make, alter and rescind
 3 regulations:

4 (1) authorizing savings banks to make mortgage loans or
 5 specified types or classes of mortgage loans (a) which exceed the
 6 specified percentages of the appraised value of the mortgaged
 7 property; (b) which mature later than the specified periods from
 8 their date; (c) which require smaller annual payments on account
 9 of the principal amounts thereof than those specified in this section;
 10 [and] (d) which provide for equal monthly payments each appli-
 11 cable to principal and interest in amounts sufficient to pay current
 12 interest on and to repay the amount of the loan in such number of
 13 years more than 40, but not more than 45, as the regulation may
 14 specify **[and (e) which are authorized at such time for any bank,*
 15 *national banking association, State chartered savings and loan*
 16 *association or Federally chartered savings and loan association]**;

17 (2) increasing the percentage of deposits of savings banks which
 18 savings banks may invest in mortgage loans;

19 (3) increasing the percentage of principal balances owing on
 20 mortgage loans referred to in subsection Q. which shall not be in-
 21 cluded in the total of all principal balances owing on mortgage
 22 loans for the purpose of subsection B., or

23 (4) eliminating entirely the principal balances owing on such
24 mortgage loans from such total of all principal balances.

1 2. This act shall take effect immediately.

- 23 (4) eliminating entirely the principal balances owing on such
24 mortgage loans from such total of all principal balances.
1 2. This act shall take effect immediately.

STATEMENT

This bill brings up to date the mortgage investment powers of New Jersey's mutually-owned savings banks. The original powers granted under the Banking Act of 1948 do not accord with current economic conditions. The purpose of the proposed changes are to liberalize the requirements for mortgage lending, particularly with respect to residential properties.

ASSEMBLY COMMERCE, BANKING AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1858

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 1976

This legislation makes a number of changes in the provisions of the Banking Act of 1948 (P. L. 1948, c. 67) governing the mortgage lending powers of savings banks. They are enumerated as follows:

1. Savings banks would be permitted to lend up to 90% of the appraised value of real property on one- to four-family dwellings and on condominiums, except where mortgage guaranty insurance is available; in that case, institutions may lend up to 95% of the appraised value.

2. The distinctions between one-family residential property and two- to four-family residential dwellings would be eliminated. Existing law provides for separate down payment requirements.

3. Presently, monthly payments must result in the reduction of the principal of the loan at an annual rate equal to $3\frac{1}{3}\%$. This bill would change that requirement to provide that the principal must be reduced at an annual rate of at least $2\frac{1}{2}\%$; this is attributable to the effect of higher interest rates, which result in a slower reduction of the principal.

4. Money advanced for construction for mortgages other than on one- to four-family residences at present cannot exceed 75% of the appraised value of such real property. This bill would raise that figure to 80%, and would extend the length of the mortgage period from 25 years and one month to 30 years and one month. This section is also amended to permit modification of the present requirement that annual payments must equal at least $\frac{1}{2}\%$ of the original amount of such loan.

5. Presently, in the case of a construction loan, the loan is deemed to have been made (and hence eligible for repayment) when the final advance has been made to the borrower or 18 months have passed, whichever is earlier. This would be changed by this legislation to 60 months instead of 18 months.

6. Presently when real property which is offered as security for a mortgage loan consists of unimproved land, the loan cannot exceed 40% of the appraised value of the real property. This bill would change

that to 50%. The bill would also change the maximum amount of these loans from $\frac{1}{10}$ of 1% of the deposits of the savings banks to an amount equal to $\frac{3}{10}$ of 1% of the deposits.

7. This bill would also delete the present \$1,000.00 limit on additional loans made upon the security of the same real property, and the amount by which time such loan may be extended from 10 to 15 years.

The Commerce, Banking, and Insurance Committee views this legislation as necessary and desirable to reflect economic changes which have occurred within the past several years. The net effect of these modifications of existing law would be to insure the availability of mortgage money by accommodating the statutory requirements governing mortgage lending to the inflationary trend of the past several years.

The committee has amended the bill to delete the language of subsection R which would permit the Commissioner of Banking to authorize savings banks to make mortgage loans or specified types or classes of mortgage loans which are authorized for any bank, national banking association, State chartered savings and loan association or Federally Chartered savings and loan association. The authority to establish and modify mortgage lending powers for each type of State chartered institution has traditionally rested with the legislature, and the committee believes it appropriate that the legislature retain this responsibility rather than delegate it to the commisioner.