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LEGISLATIVE FACT SHEET

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Amendment)

LAWS OF /973 .

CHAPTER ///S

SENATE

ASSEMBLY 1788 OCK

INTRODUCED 7/1/ay 16, 1974

BY Loudle Atal.

STATEMENT

AMENDED DURING PASSAGE

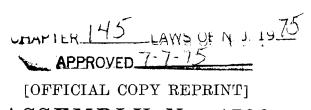
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HEARING More discovered

VETO

Sporter's statement to H17/88:

in The field would authorize the borrows i in a home mortgage loan transaction to be represented by an attorney of his own choice.



ASSEMBLY, No. 1788

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1974

By Assemblymen GARRUBBO, McCARTHY, DEVERIN, MARTIN, ADUBATO, KEEGAN, NERI, BORNHEIMER, RUANE, GLADSTONE, CONTILLO, VISOTCKY, HOLLENBECK, CODEY, HERMAN, SHELTON, Assemblywoman TOTARO, Assemblymen MacINNES and SINSIMER

Referred to Committee on Banking and Insurance

An Act with respect to the right of an individual borrower to select his own attorney in certain mortgage loan transactions.

- 1 Be it enacted by the Senate and General Assembly of the State
- 2 of New Jersey:
- 1. No banking institution or other financial institution authorized
- 2 to engage in the business of making loans secured by mortgage,
- 3 hereinafter referred to as a "lender," shall require an individual
- 4 borrower of a loan to be secured by a mortgage on a one-, two-,
- 5 three- or four-family residence resided in or to be resided in by
- 6 the borrower-mortgagor or a member of his immediate family, to
- 7 employ the services of the lender's counsel or an attorney specified
- 8 by the lender but the borrower shall have the right to be repre-
- 9 sented in the transaction by an attorney at law of New Jersey of
- 10 his own selection. The provisions of this act shall not preclude a
- 11 lender from requiring that documents prepared in connection with
- 12 a mortgage loan transaction prepared by a borrower's attorney to
- 13 be submitted to the lender's attorney for examination and review
- 14 and to require the borrower to pay a reasonable fee for such service
- 15 by the lender's attorney.
- The provisions of this act shall not be applicable to a mortgage
- 17 loan made for commercial purposes.
- 2 enactment.
- 2. This act shall take effect *[30 days]* *6 months* after EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the 'aw.

ASSEMBLY, No. 1788

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1974

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- 13 be submitted to the lender's attorney for examination and review
- 14 and to require the borrower to pay a reasonable fee for such service
- 15 by the lender's attorney.
- 16 The provisions of this act shall not be applicable to a mortgage
- 17 loan made for commercial purposes.
- 1 2. This act shall take effect 30 days after enactment.

STATEMENT

This bill would authorize the borrower in a home mortgage loan transaction to be represented by an attorney of his own choice.

[SENATE REPRINT]

ASSEMBLY, No. 1788

with Senate committee amendment adopted April 7, 1975

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1974

By Assemblymen GARRUBBO, McCARTHY, DEVERIN, MARTIN, ADUBATO, KEEGAN, NERI, BORNHEIMER, RUANE, GLADSTONE, CONTILLO, VISOTCKY, HOLLENBECK, CODEY, HERMAN, SHELTON, Assemblywoman TOTARO, Assemblymen MacINNES and SINSIMER

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- 14 and to require the borrower to pay a reasonable fee for such service
- 15 by the lender's attorney.
- 16 The provisions of this act shall not be applicable to a mortgage
- 17 loan made for commercial purposes.
- 1 2. This act shall take effect *[30 days]* *6 months* after
- 2 enactment.

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

SENATE COMMITTEE AMENDMENT TO ASSEMBLY, No. 1788

STATE OF NEW JERSEY

ADOPTED APRIL 7, 1975

Amend page 1, section 2, line 1, omit "30 days", insert "6 months".

SENATE LABOR, INDUSTRY, AND PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1788

STATE OF NEW JERSEY

DATED: APRIL 7, 1975

Assembly Bill No. 1788 would authorize the borrower in a home mortgage loan transaction to be represented by an attorney of his own choice.

The committee amended the bill to extend the effective date from 30 days to 6 months.