

17:12B-159

August 25, 1970

LEGISLATIVE NOTE ON R.S. 17:12B-159
(Savings & loan loan - amount)

- L. 1969, Chapter 255 - A988
May 5 - Introduced by DeKorte and others.
May 15 - Passed in Assembly.
December 1 - Passed in Senate.
January 7 - Approved, Chapter 255.
Not amended during passage.
No statement.

JH/PC

225 69
1/7/70
ASSEMBLY, No. 988

STATE OF NEW JERSEY

INTRODUCED MAY 5, 1969

By Assemblymen DE KORTE, HOLLENBECK, RANDALL,
VANDER PLATT and MORAITES

(Without Reference)

AN ACT to amend the "Savings and Loan Act (1963)," approved
August 30, 1963 (P. L. 1963, c. 144).

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

1 1. Section 159 of P. L. 1963, chapter 144 (C. 17:12B-159) is
2 amended to read as follows:

3 159. Limitations on such loans.

4 (1) The net proceeds of any one loan made pursuant to this
5 section shall not exceed **[\$5,500.00]** \$7,500.00 nor shall the aggregate
6 of such net proceeds, taken together with the amount of the
7 unpaid balances owing on all other loans to which this section
8 applies and which are outstanding with respect to the same real
9 property, exceed **[\$5,500.00]** \$7,500.00.

10 (2) Each such loan shall be evidenced by one or more notes, bonds
11 or other written evidence of indebtedness, and no security other
12 than an interest in tangible personal property which is a part of
13 the work, or other than a mortgage upon the real property to be
14 repaired, altered, improved or rehabilitated, shall be taken directly
15 or indirectly to secure the same prior to default.

16 (3) No association shall make any such loan at any time the aggregate
17 amount of such loans outstanding exceeds an amount equal to
18 5% of its members' capital.

19 (4) Each such loan shall be repayable in regular monthly install-
20 ments over a period not exceeding 61 months, and the amount of
21 any installment shall not be greater or less than any other install-
22 ment, except that the last installment may be not more than \$1.00
23 more or less than any previous installment.

24 (5) Nothing in this section shall prevent an association from
25 making a loan under the provisions of this section, the proceeds 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.**

26 which will be applied in whole or in part to the repayment at or
27 before final maturity of a loan theretofore made under the pro-
28 visions of this section.

29 (6) An association which makes a loan pursuant to this section
30 may,

31 (a) when the payment of such loan is secured, and provision is
32 made by law for the filing or recording of the instrument of security
33 or notice or abstract thereof, require compliance with such pro-
34 vision and retain the cost of such recording or filing out of the
35 proceeds of the loan; and

36 (b) when the maturity of the unpaid balance of the loan is
37 accelerated, in accordance with the terms of the instrument evidenc-
38 ing the obligation, charge interest at the legal rate, from the date
39 such acceleration takes place, upon the amount of the unpaid
40 principal balance of the loan; provided, however, whenever the
41 provisions of section 163 of this act apply such interest charge shall
42 only be made upon the difference between the amount of the un-
43 paid principal balance of the loan, and the amount of credit given
44 pursuant to section 163;

45 Otherwise no association shall make any further interest or other
46 charge or demand, in connection with such loan, other than those
47 expressly authorized by sections 159 through 164 of this act, except
48 as permitted in section 48 (13) of this act.

1 2. This act shall take effect immediately.