

17:12B-117, 123, 124 + 125.1
August 18, 1970

LEGISLATIVE NOTES ON R.S. 17:12B-117, 123, 124,
and 125.1
(Saving and Loan Association applications - commissioner communicate)

(1969 Amendment)

No similar bill introduced, 1965-1969

L.1969 - C271 - S655

April 2 - Introduced by Farley

May 5 - Passed in Senate, amended

May 20 - Passed in Assembly

January 12 - Approved, chapter 271

Amended during passage (copy enclosed of original bill and amendment)

Bill had statement (copy enclosed)

SENATE, No. 655

STATE OF NEW JERSEY

INTRODUCED APRIL 2, 1969

By Senator FARLEY

Referred to Committee on Banking and Insurance

AN ACT to amend and supplement 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 117 of the act of which this act is amendatory
2 (C. 17:12B-117) is amended to read as follows:

3 117. Confidential relationship of **[a]** *an* **[State]** association to
4 its members. The relationship of **[a]** *an* **[State]** association to
5 each of its members constitutes a confidential relationship and no
6 **[State]** association or any of its directors, officers or employees
7 shall disclose or be required to disclose a list of the members of
8 the **[State]** association, in whole or in part to any person; provided,
9 however, every member of *an* **[State]** association shall have the
10 right to inspect the records of such **[State]** association which per-
11 tain solely to his own accounts.

1 2. Section 123 of the act of which this act is amendatory
2 (C. 17:12B-123) is amended to read as follows:

3 123. **[If, from the evidence produced at]** *At* such hearing, or such
4 independent examination or investigation as the commissioner may
5 make, the commissioner **[finds that]** *shall examine into the merits*
6 *of the application and* ***[determine whether or not]** **if he de-*
7 *termines that** the application is made in good faith and to grant
8 the application would **[be in the]** *not be detrimental to the best*
9 interests of the State association and its members**[,]**; *then* the
9A commissioner shall:

10 (a) If the application is for information, grant the application
11 in whole or in part, and impose such terms and conditions as he
12 shall deem necessary or proper to protect the best interest of the
13 State association and its members, 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.

14 (b) If the application is to enable the applicant to communicate
15 with other members of the State association, order the State asso-
16 ciation to prepare and mail the communication or communications,
17 in whole or in part, on the condition that the applicant shall first
18 pay to the State association all of the costs and expenses of such
19 preparation and mailing.

20 Nothing herein shall be construed to give the commissioner the
21 power to order a State association to disclose a list of its members
22 to any applicant.

1 3. Section 124 of the act of which this act is amendatory
2 (C. 17:12B-124) is amended to read as follows:

3 124. Within 30 days after the close of the hearing, the com-
4 missioner shall announce his **[decision upon]** *approval (in whole*
5 *or in part) or denial of* such application and file in his office a
6 written memorandum stating the reasons therefor which shall be
7 open to public inspection; and he shall forthwith thereafter give
8 written notice thereof to the State association and the applicant.

1 4. Insofar as the provisions of sections 118 through 124 of this
2 act regarding obtaining information by a member or enabling a
3 member to communicate with other members are not inconsistent
4 with Federal law, the provisions of sections 118 through 124 shall
5 apply to Federal associations whose principal offices are located in
6 this State and to the members thereof, except that the applications
7 provided for shall be tendered to the Federal Home Loan Bank
8 Board, Washington, D. C., in the case of a Federal association and
9 forwarded only upon that board's certificate and direction.

1 5. This act shall take effect immediately.

SENATE, No. 655

STATE OF NEW JERSEY

INTRODUCED APRIL 2, 1969

By Senator FARLEY

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AN ACT to amend and supplement 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:*

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4 its members. The relationship of [a] *an* [State] association to
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7 shall disclose or be required to disclose a list of the members of
8 the [State] association, in whole or in part to any person; provided,
9 however, every member of *an* [State] association shall have the
10 right to inspect the records of such [State] association which per-
11 tain solely to his own accounts.

1 2. Section 123 of the act of which this act is amendatory
2 (C. 17:12B-123) is amended to read as follows:

3 123. [If, from the evidence produced at] *At* such hearing, or such
4 independent examination or investigation as the commissioner may
5 make, the commissioner [finds that] *shall examine into the merits*
6 *of the application and determine whether or not* the application is
7 made in good faith and to grant the application would [be in the]
8 *not be detrimental to the best interests of the State association and*
9 *its members*[.]; *then* the commissioner shall:

10 (a) If the application is for information, grant the application
11 in whole or in part, and impose such terms and conditions as he
12 shall deem necessary or proper to protect the best interest of the
13 State association and its members, or

14 (b) If the application is to enable the applicant to communicate
15 with other members of the State association, order the State asso-

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
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2 (C. 17:12B-124) is amended to read as follows:

3 124. Within 30 days after the close of the hearing, the com-
4 missioner shall announce his [decision upon] *approval (in whole*
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8 Board, Washington, D. C., in the case of a Federal association and
9 forwarded only upon that board's certificate and direction.

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STATEMENT

This bill further defines the rights of the commissioner in acting upon applications from members of savings and loan associations to communicate with other members and for information, and also establishes a procedure for Federal associations under these sections of the Savings and Loan Act.

SENATE COMMITTEE AMENDMENT TO
SENATE, No. 655

STATE OF NEW JERSEY

ADOPTED MAY 1, 1969

Amend page 1, section 2, line 6, after "and", delete "determine whether or not"; insert "if he determines that".