

17:10-15

LEGISLATIVE HISTORY CHECKLIST
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(Loans--repayment)

NJSA: 17:10-15

LAWS OF: 1995 **CHAPTER:** 33

BILL NO: S1506

SPONSOR(S): Inverso

DATE INTRODUCED: October 13, 1994

COMMITTEE: **ASSEMBLY:** ----

SENATE: State Management

AMENDED DURING PASSAGE: Yes Amendments during passage
First reprint enacted denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** January 23, 1995

SENATE: January 19, 1995

DATE OF APPROVAL: March 1, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

[FIRST REPRINT]

SENATE, No. 1506

STATE OF NEW JERSEY

INTRODUCED OCTOBER 13, 1994

By Senator INVERSO

1 **AN ACT** concerning the return of certain documents by certain
2 lenders and amending R.S.17:10-15, P.L.1960, c.40 and
3 P.L.1960, c.41.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the
6 *State of New Jersey*:

7 1. R.S.17:10-15 is amended to read as follows:

8 17:10-15. Every licensee shall:

9 a. Deliver to the borrower at the time a loan is made a
10 statement in the English language showing in clear and distinct
11 terms the amount and date of the loan and of its maturity, the
12 nature of the security, if any, for the loan, the name and address
13 of the borrower and of the licensee, the payment schedule, the
14 amount of interest charges, and the annual percentage rate of
15 interest;

16 b. Give to any borrower who makes a payment in cash a plain
17 and complete receipt for all payments made on account of the
18 loan at the time payments are made, specifying the amount
19 applied to interest and the amount, if any, applied to principal,
20 and stating the unpaid balance, if any, of the loan;

21 c. Permit payment to be made in advance in any amount on
22 any contract of loan at any time, but the licensee may apply the
23 payment first to all interest in full at the agreed rate up to the
24 date of payment;

25 d. Upon repayment of the loan in full, mark indelibly every
26 obligation and security signed by the borrower, or a copy thereof,
27 with the word "paid" or "canceled," and release, or give the
28 borrower evidence to release any mortgage, or security interest
29 which no longer secures an obligation to the licensee, restore any
30 pledge, cancel and return any note or a copy thereof, and cancel
31 and return any assignment or a copy thereof given to the licensee
32 by the borrower.

33 No licensee shall take any confession of judgment or any power
34 of attorney. No licensee shall take any note, promise to pay, or
35 security that does not accurately disclose the amount of the loan,
36 the date of the loan, the payment schedule, the amount of
37 interest charges, and the annual percentage rate of interest, nor
38 any instrument in which blanks are left to be filled in after the
39 loan is made.

40 (cf: P.L.1989, c.38, s.9)

41 ¹2. Section 52 of P.L.1960, c.40 (C.17:16C-52) is amended to
42 read as follows:

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SSM committee amendments adopted December 8, 1994.

1 52. [With respect to Class I, Class II, and Class III goods as
2 defined in section 41, upon] Upon payment in full by the retail
3 buyer of the time balance and other amounts lawfully due under a
4 retail installment contract, the holder shall:

5 (a) Return to the retail buyer either the original instruments
6 evidencing indebtedness or constituting security under a retail
7 installment contract, which were signed by the retail buyer or his
8 sureties or guarantors in conjunction with such contract or a copy
9 thereof, excepting such instruments as are filed or recorded with
10 a public official and retained in the files of such official;

11 (b) Release all security interest in the goods or in any
12 collateral security to the obligation of the retail buyer under such
13 contract;

14 (c) Deliver to the retail buyer such good and sufficient
15 assignments and certificates of title as may be necessary to vest
16 the retail buyer with complete evidence of title.

17 [With respect to Class IV goods as defined in section 41, the
18 holder, upon payment in full by the retail buyer of the time
19 balance and other amounts lawfully due under a retail installment
20 contract, shall furnish the retail buyer with such instrument as
21 the commissioner may by regulation provide.]¹

22 (cf: P.L.1960, c.40, s.52)

23 ¹[2.] 3.1 Section 53 of P.L.1960, c.40 (C.17:16C-53) is
24 amended to read as follows:

25 53. When the final payment on a retail installment contract is
26 made in cash by the retail buyer, or his authorized
27 representative, at the designated licensed office of the holder,
28 the certificate of ownership and other evidence of lien, or a copy
29 thereof, showing satisfaction of the encumbrance, unless
30 otherwise provided by rule or regulation of the commissioner,
31 shall be delivered at the time of such payment if demanded by
32 the retail buyer, otherwise delivery may be made at a later date
33 in person or by mail as may be arranged between retail buyer and
34 holder; all other instruments, or a copy thereof, shall be delivered
35 or mailed to the retail buyer within 35 days from the date of final
36 payment.

37 (cf: P.L.1960, c.40, s.53)

38 ¹[3.] 4.1 Section 14 of P.L.1960, c.41 (C.17:16C-75) is
39 amended to read as follows:

40 14. With respect to contracts pursuant to which there is a lien,
41 mortgage or encumbrance upon the goods or real property, upon
42 payment in full by the owner of the time sales price and other
43 amounts lawfully due under a home repair contract, the holder
44 shall:

45 (a) return to the owner either the original instruments
46 evidencing indebtedness under a home repair contract which were
47 signed by the owner or his sureties or guarantors in connection
48 with such contract or a copy thereof, excepting such instruments
49 as are filed with a public official and retained in the files of such
50 official;

51 (b) release all security interest in the goods or real property
52 affected by the home repair contract; and

53 (c) deliver to the owner such good and sufficient assignments,
54 releases of liens and mortgages on personal and real property and

1 such other instruments of title as may be necessary to vest the
2 owner with complete evidence of title.

3 With respect to all other contracts, the holder, upon payment
4 in full by the retail buyer of the time sales price and other
5 amounts lawfully due under a home repair contract, shall furnish
6 the owner with such instruments as the commissioner may by
7 regulation provide.

8 (cf: P.L.1968, c.220, s.7)

9 ¹[4.] 5.¹ This act shall take effect immediately.

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14 _____
15 Allows certain lenders to return copies, instead of originals, of
certain loan documents.

1 53. When the final payment on a retail installment contract is
2 made in cash by the retail buyer, or his authorized
3 representative, at the designated licensed office of the holder,
4 the certificate of ownership and other evidence of lien, or a copy
5 thereof, showing satisfaction of the encumbrance, unless
6 otherwise provided by rule or regulation of the commissioner,
7 shall be delivered at the time of such payment if demanded by
8 the retail buyer, otherwise delivery may be made at a later date
9 in person or by mail as may be arranged between retail buyer and
10 holder; all other instruments, or a copy thereof, shall be delivered
11 or mailed to the retail buyer within 35 days from the date of final
12 payment.

13 (cf: P.L.1960, c.40, s.53)

14 3. Section 14 of P.L.1960, c.41 (C.17:16C-75) is amended to
15 read as follows:

16 14. With respect to contracts pursuant to which there is a lien,
17 mortgage or encumbrance upon the goods or real property, upon
18 payment in full by the owner of the time sales price and other
19 amounts lawfully due under a home repair contract, the holder
20 shall:

21 (a) return to the owner either the original instruments
22 evidencing indebtedness under a home repair contract which were
23 signed by the owner or his sureties or guarantors in connection
24 with such contract or a copy thereof, excepting such instruments
25 as are filed with a public official and retained in the files of such
26 official;

27 (b) release all security interest in the goods or real property
28 affected by the home repair contract; and

29 (c) deliver to the owner such good and sufficient assignments,
30 releases of liens and mortgages on personal and real property and
31 such other instruments of title as may be necessary to vest the
32 owner with complete evidence of title.

33 With respect to all other contracts, the holder, upon payment
34 in full by the retail buyer of the time sales price and other
35 amounts lawfully due under a home repair contract, shall furnish
36 the owner with such instruments as the commissioner may by
37 regulation provide.

38 (cf: P.L.1968, c.220, s.7)

39 4. This act shall take effect immediately.

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STATEMENT

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44 This bill allow lenders under the "Consumer Loan Act," "Retail
45 Installment Sales Act of 1960," and "Home Repair Financing
46 Act" to return copies, in lieu of originals, of promissory notes,
47 loan agreements and other instruments. Banks and other
48 financial institutions are currently allowed to use such copies.

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53 Allows certain lenders to return copies, instead of originals, of
54 certain loan documents.

SENATE STATE MANAGEMENT, INVESTMENTS
AND FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 1506

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 1994

The Senate State Management, Investments and Financial Institutions Committee reports favorably and with committee amendments Senate Bill No. 1506.

This bill allow lenders under the "Consumer Loan Act," "Retail Installment Sales Act of 1960," and "Home Repair Financing Act" to return copies, in lieu of originals, of promissory notes, loan agreements and other instruments. Banks and other financial institutions are currently allowed to use such copies.

COMMITTEE AMENDMENTS

The committee amended the bill to include an additional section of the "Retail Installment Sales Act of 1960" for inclusion in the bill.