

17:16F-20

LEGISLATIVE HISTORY CHECKLIST
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(Mortgage escrow accounts--
delete requirements that changes
be made in 30 days)

NJSA: 17:16F-20

LAWS OF: 1992 CHAPTER: 131

BILL NO: A798

SPONSOR(S) Bagger

DATE INTRODUCED: February 3, 1992

COMMITTEE: ASSEMBLY: Financial Institutions

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: March 16, 1992

SENATE: October 5, 1992

DATE OF APPROVAL: October 26, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KEG:pp

P.L.1992, CHAPTER 131, approved October 26, 1992
1992 Assembly No. 798

1 AN ACT concerning mortgage escrow accounts and amending
2 P.L.1990, c.69.

3
4 BE IT ENACTED by the Senate and General Assembly of the
5 State of New Jersey:

6 1. Section 6 of P.L.1990, c.69 (C.17:16F-20) is amended to
7 read as follows:

8 6. [a.] Not later than the end of the second loan year, the
9 mortgagee or servicing organization shall establish a system for
10 the periodic analysis of the mortgage escrow account, which
11 analysis shall be accomplished at least once a year thereafter.
12 After such analysis, and subject to the limitations set forth in
13 subsection b. of section 2 of P.L.1990, c.69 (C.17:16F-16), the
14 scheduled escrow account payments shall be adjusted to provide a
15 sufficient accumulation of funds in the escrow account to make
16 anticipated disbursements on the appropriate dates during the
17 ensuing year. The mortgagor shall be given 10 days' advance
18 notice of any adjustment in scheduled payments to the escrow
19 account and shall be provided a full explanation of the reasons for
20 any change. When the escrow account is analyzed in accordance
21 with this subsection, any surplus or shortage shall be refunded to
22 or collected from the mortgagor as provided by the contract. If
23 there is a surplus in the escrow account, application of the
24 surplus to delinquent payments shall be considered a cash refund
25 to the mortgagor.

26 [b. Notwithstanding the provisions of subsection a. of this
27 section or any other law to the contrary, a mortgagee or its
28 servicing organization shall make any adjustments required by
29 law in the amount of a mortgagor's scheduled escrow account
30 payments within 60 days of receipt of the tax bill sent out by the
31 collector of the taxing district pursuant to subsection a. of
32 R.S.54:4-64.]

33 (cf: P.L.1991, c.111, s.3)

34 2. This act shall take effect immediately.

35

36

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STATEMENT

38

39 This bill removes the provision of law that requires a
40 mortgagee or its servicing organization to make any adjustments
41 required by law in the amount of a mortgagor's scheduled escrow
42 account payments within 60 days of receipt of the tax bill sent
43 out by the collector of the taxing district pursuant to R.S.
44 54:4-64.

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.

ASSEMBLY, No. 798

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1992

By Assemblyman BAGGER

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STATEMENT

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42 account payments within 60 days of receipt of the tax bill sent

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.

1 out by the collector of the taxing district pursuant to R.S.
2 54:4-64.

3

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7 Removes requirement that mortgagee adjust mortgagor's
8 scheduled escrow account payments within 60 days of receipt of
9 tax bill.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 798

STATE OF NEW JERSEY

DATED: MARCH 2, 1992

The Assembly Financial Institutions Committee reports favorably Assembly Bill No. 798.

This bill removes the provision that requires a mortgagee or its servicing organization to make any adjustments required by law in the amount of a mortgagor's scheduled escrow account payments within 60 days of receipt of the tax bill sent out by the collector of the taxing district pursuant to R.S.54:4-64.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 798

STATE OF NEW JERSEY

DATED: AUGUST 10, 1992

The Senate Commerce Committee reports favorably Assembly Bill No. 798.

This bill removes the provision that requires a mortgagee or its servicing organization to make any adjustments required by law in the amount of a mortgagor's scheduled escrow account payments within 60 days of receipt of the tax bill sent out by the collector of the taxing district pursuant to R.S.54:4-64.