

17:46A-2

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2002 **CHAPTER:** 17

NJSA: 17:46A-2 (Increases loan to value amount permitted under mortgage guaranty insurance)

BILL NO: A473

SPONSOR(S): Bateman and DeCroce

DATE INTRODUCED: Pre-filed

COMMITTEE: **ASSEMBLY:** Banking and Insurance

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** February 11, 2002

SENATE: March 7, 2002

DATE OF APPROVAL: April 23, 2002

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (Original version of bill enacted)

A473

[SPONSORS STATEMENT](#): (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: **[ASSEMBLY:](#)** [Yes](#)

[SENATE:](#) [Yes](#)

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

P.L. 2002, CHAPTER 17, *approved April 23, 2002*

Assembly, No. 473

1 AN ACT concerning mortgage guaranty insurance and amending
2 P.L.1968, c.248.

3

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

6

7 1. Section 2 of P.L.1968, c.248 (C.17:46A-2) is amended to read
8 as follows:

9 2. Definitions. The definitions set forth in this section shall govern
10 the construction of the terms used in this act.

11 (a) "Mortgage guaranty insurance" means (1) insurance against
12 financial loss by reason of nonpayment of principal, interest and other
13 sums agreed to be paid under the terms of any note or bond or other
14 evidence of indebtedness secured by a mortgage, deed of trust, or
15 other instrument constituting a lien or charge on real estate, provided
16 the improvement on such real estate is a residential building or a
17 condominium unit or buildings designed for occupancy by not more
18 than four families;

19 (2) Insurance against financial loss by reason of nonpayment of
20 principal, interest or other sums agreed to be paid under the terms of
21 any note or bond or other evidence of indebtedness secured by a
22 mortgage, deed of trust or other instrument constituting a lien or
23 charge on real estate, provided the improvement on such real estate is
24 a building or buildings designed for occupancy by five or more families
25 or designed to be occupied for industrial or commercial purposes;

26 (3) Insurance against financial loss by reason of nonpayment of
27 rent or other sums agreed to be paid under the terms of a written lease
28 for the possession, use or occupancy of real estate, provided the
29 improvement on such real estate is a building or buildings designed to
30 be occupied for industrial or commercial purposes.

31 (b) "Authorized real estate security" means a note, bond or other
32 evidence of indebtedness not exceeding **[97]** 100 percent of the fair
33 market value of the real estate, secured by a mortgage, deed of trust,
34 or other instrument constituting a first lien or charge on real estate;
35 provided:

36 (1) The real estate loan secured in such manner is one which a
37 bank, savings and loan association, or an insurance company, which is
38 supervised and regulated by a department of this State or an agency of
39 the federal government, is authorized to make.

40 (2) The improvement on such real estate is a building or buildings
41 designed for occupancy as specified by subsections (a)(1) and (a)(2)

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

Matter underlined thus is new matter.

1 of this section.

2 (3) The lien on such real estate may be subject and subordinate to
3 the following:

4 (i) The lien of any public bond, assessment, or tax, when no
5 installment, call or payment of or under such bond, assessment or tax
6 is delinquent.

7 (ii) Outstanding mineral, oil or timber rights, rights-of-way,
8 easements or rights-of-way or support, sewer rights, building
9 restrictions or other restrictions or covenants, conditions or
10 regulations of use, or outstanding leases upon such real property under
11 which rents or profits are reserved to the owner thereof.

12 (c) "Contingency reserve" means an additional premium reserve
13 established for the protection of policyholders against the effect of
14 adverse economic cycles.

15 (d) "Policyholders' surplus" means the aggregate of capital, surplus
16 and contingency reserve.

17 (cf: P.L.1994, c.103, s.1)

18

19 2. This act shall take effect immediately.

20

21

22

23

24 _____
25 Increases loan to value amount permitted under mortgage guaranty
insurance.

ASSEMBLY, No. 473

STATE OF NEW JERSEY 210th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2002 SESSION

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman ALEX DECROCE

District 26 (Morris and Passaic)

Co-Sponsored by:

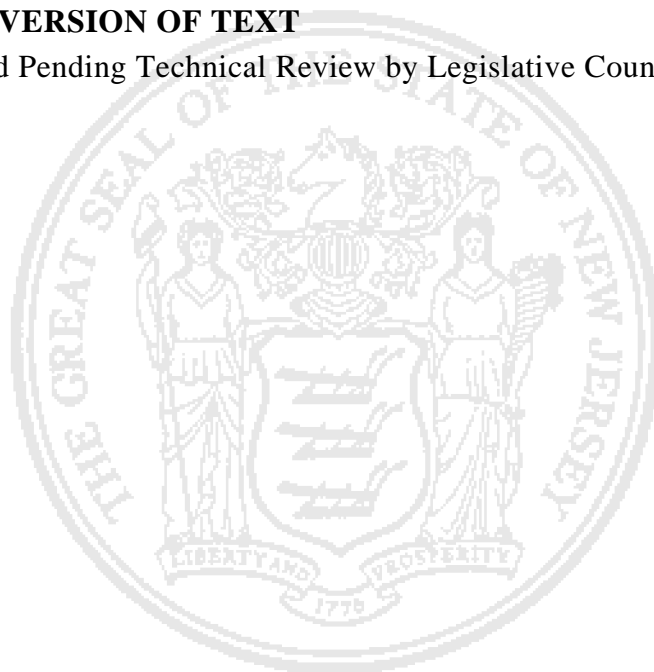
Assemblymen Connors and Connors

SYNOPSIS

Increases loan to value amount permitted under mortgage guaranty insurance.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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2 P.L.1968, c.248.

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40 (2) The improvement on such real estate is a building or buildings
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43 (3) The lien on such real estate may be subject and subordinate to

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14 and contingency reserve.

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16

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19

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STATEMENT

21

22 This bill would permit mortgage guaranty insurance companies to
23 issue mortgage guaranty insurance for those notes, bonds, or other
24 evidences of indebtedness not exceeding 100 percent of the fair market
25 value of the real estate secured by a mortgage, deed of trust, or other
26 instrument constituting a first lien or charge on real estate. Currently,
27 the indebtedness cannot exceed 97 percent.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 473

STATE OF NEW JERSEY

DATED: JANUARY 31, 2002

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 473.

This bill permits mortgage guaranty insurance companies to issue mortgage guaranty insurance for those notes, bonds, or other evidences of indebtedness not exceeding 100 percent of the fair market value of the real estate secured by a mortgage, deed of trust, or other instrument constituting a first lien or charge on real estate.

This bill was pre-filed for introduction in the 2002 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 473

STATE OF NEW JERSEY

DATED: FEBRUARY 28, 2002

The Senate Commerce Committee reports favorably Assembly Bill No. 473.

This bill amends the Mortgage Guaranty Insurance Act to permit mortgage guaranty insurance companies to issue mortgage guaranty insurance for those notes, bonds, or other evidences of indebtedness not exceeding 100 percent of the fair market value of the real estate secured by a mortgage, deed of trust, or other instrument constituting a first lien or charge on real estate.