### LICENSING

<table>
<thead>
<tr>
<th>Lender Licensing</th>
<th>Broker Licensing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Any company who, for compensation or gain, or in the expectation of compensation or gain, either directly or indirectly engages in the business of making or originating or otherwise engaging in the business of funding mortgage loans secured by real property located in New Jersey must have a New Jersey Residential Mortgage Lender License</strong></td>
<td></td>
</tr>
<tr>
<td>- PRMG has a Mortgage Company License (Company License # None listed approved 09/10/2013)</td>
<td></td>
</tr>
<tr>
<td>- PRMG can do Retail OR Wholesale with brokers who have a New Jersey Residential Mortgage Broker License</td>
<td></td>
</tr>
<tr>
<td>- Qualified Individual (QI): New Jersey requires a Qualified Individual; Robert Holliday is the QI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- QI must have a Qualified Individual Residential Mortgage Lender License, which differs from the standard Mortgage Loan Originator License specified below</td>
</tr>
<tr>
<td>- Brick and Mortar: There is no brick and mortar requirement for the Residential Mortgage Lender License</td>
<td></td>
</tr>
<tr>
<td><strong>Branching: Any location other than the principal office whether or not it is located within the state of New Jersey that conducts New Jersey residential mortgage business as described above must have a Residential Mortgage Lender Branch License; the requirements are:</strong></td>
<td></td>
</tr>
<tr>
<td>- Branch Filing through NMLS</td>
<td></td>
</tr>
<tr>
<td>- Branch Manager filed through NMLS</td>
<td></td>
</tr>
<tr>
<td>- Credit Report processed through NMLS</td>
<td></td>
</tr>
<tr>
<td>- Certification of Office Suitability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Instate Branch Suitability Form</td>
</tr>
<tr>
<td></td>
<td>- Out-of-State Branch Suitability Form</td>
</tr>
<tr>
<td>- Cost: $1,020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- See NMLS Branch License Checklist</td>
</tr>
<tr>
<td><strong>PRMG’s fulfillment centers that are authorized to lend in New Jersey:</strong></td>
<td></td>
</tr>
<tr>
<td>- Headquarters (Corona, CA)</td>
<td></td>
</tr>
<tr>
<td>- Northeast Regional Fulfillment Center (Bedford, NH)</td>
<td></td>
</tr>
</tbody>
</table>

| Broker Licensing | Any person or company who, for compensation or gain, or in the expectation of compensation or gain, directly or indirectly negotiates, places, assists in placement, finds or offers to negotiate, place, assist in placement or find mortgage loans on residential properties located in New Jersey for others must have a New Jersey Residential Mortgage Broker License |
| | - PRMG cannot broker loans under its Residential Mortgage Lender License |
| **Brokers with multiple branches:** Each office location of a mortgage broker holding the Residential Mortgage Broker License, other than the main office identified on the license whether or not it is located within the state of New Jersey that conducts broker business described above in connection with New Jersey residential properties must have a Residential Mortgage Broker Branch License filed through NMLS |

***Licensing continues on the next page...***
### LICENSING CONTINUED

| Mortgage Loan Originators          | • **Loan Officer:** Any individual who, for compensation or gain or in the expectation of compensation or gain: (i) takes a residential mortgage loan application; or (ii) offers or negotiates, solicits, arranges, or finds a mortgage loan for a consumer secured by real property located in New Jersey must have a New Jersey Mortgage Loan Originator License  
• **Processor:** Any third-party processor/underwriter that performs processing duties such as, gathering information, requesting information, word processing, sending correspondence, or assembling files must have a New Jersey Mortgage Loan Originator License |

| Department Contact | **New Jersey Department of Banking and Insurance**  
P.O. Box 040  
Trenton, NJ 08625  
(609) 292-7272  
[http://www.state.nj.us/dobi](http://www.state.nj.us/dobi) |

---

### WHOLESALE DISCLOSURES

| General Requirements | • **Note:** If you click on any blue document title below, it will take you to a sample of that document  
• The state specific disclosures listed below are required in addition to applicable federal disclosures, i.e. Good Faith Estimate, Truth in Lending, etc. |

| Broker’s Initial Disclosures | • State specific disclosures that must be included with the broker’s initial disclosures and submitted with the package for set-up:  
  o **Addendum to Residential Mortgage Loan Application** - All loans at the time of application  
  o **Mortgage Broker Agreement** - All loans, and before any fee is accepted (Required)  
  o **Disclosure Form** - Signed by the borrower on all loans; needs to include PRMG’s appraisal fee |

| Lender’s Initial Disclosures | • The following disclosures are available through our document vendor and are included in our Wholesale initial disclosure packages:  
  o **Addendum to Residential Mortgage Loan Application** - All loans at the time of application  
  o **New Jersey Insurance Notice** - First lien loans  
  o **Disclosure Form** - All loans; needs to include PRMG’s appraisal fee  
  o **Initial Tax Authorization Notice** - All loans  
  o **Lock-In-Agreement** - First lien loans; if loan is locked at the time of submission  
  o **Right to Own Attorney Disclosure** - All loans  
  o **Attorney Fee Notice** - All loans |

---

### RETAIL DISCLOSURES

| General Requirements | • **Note:** If you click on any blue document title below, it will take you to a sample of that document  
• The state specific disclosures listed below are required in addition to applicable federal disclosures, i.e. Good Faith Estimate, Truth in Lending, etc. |

| Lender’s Initial Disclosures | • The following state specific disclosures are available from our document vendor and are included in our Retail initial disclosure packages:  
  o **Addendum to Residential Mortgage Loan Application** - All loans at the time of application  
  o **Choice of Insurance Notice** - First lien loans  
  o **Disclosure Form** - All loans; must be provided and signed before charging the borrower for an appraisal  
  o **Initial Tax Authorization Notice** - All loans  
  o **Lock-In-Agreement** - First lien loans; if loan is locked at the time of submission  
  o **Right to Own Attorney Disclosure** - All loans |
**REDISCLOSURES**

**General Requirements**
- **Note**: If you click on any blue document title below, it will take you to a sample of that document.
- The state specific disclosures listed below are required in addition to applicable federal disclosures, i.e. Good Faith Estimate, Truth in Lending, etc.

**New Jersey Specific Disclosures for the Redisclosure Packages**
- The following state specific disclosures are available from our document vendor and are included in our redisclosure packages:
  - **Lock-In-Agreement**: First lien loans; must be included in redisclosure package if the loan is locked.

**RETURN TO TOP**

---

**CLOSING DOCUMENTS**

**General Closing Documents’ Requirements**
- **Note**: If you click on any blue document title below, it will take you to a sample of that document.
- The state specific disclosures/documents listed below are required in addition to applicable federal disclosures, i.e. Truth in Lending, etc.

**New Jersey Specific Closing Documents/Disclosures**
- The following state specific disclosures/documents are available through our document vendor and will generate in our closing packages:
  - **Addendum to Residential Mortgage Loan Application**: All loans
  - **Choice of Insurance Notice**: All first lien loans
  - **Private Well Testing Act Certification**: Purchase transactions
  - **Right to Own Attorney Disclosure**: All loans
  - **Initial Tax Authorization**: All loans

**RETURN TO TOP**

---

**FEE INFORMATION**

**General Fee Restrictions**:
- **PRMG generally does not** accept advance fees, EXCEPT for appraisals through Lender X where they are kept in a trust account until the appraiser is paid; on VA appraisals, PRMG only asks for a pre-authorization on the credit card that will ultimately be charged.
- **Advance fees** are permissible in New Jersey if agreed to in writing before the fee is collected; however, PRMG does not collect any fees in advance except to the extent of what is stated above with respect to appraisals.
- All fees must be disclosed in writing.
- All fees shall not deviate from industry norms and PRMG’s general policies.
- **Note**: Any fees not allowed/included in the matrix below must be approved by PRMG’s Legal and Compliance Department.

**Fees**

<table>
<thead>
<tr>
<th>Fee Name</th>
<th>Type (Paid to)</th>
<th>Allowed</th>
<th>Not Allowed</th>
<th>Requirement(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin Fee</td>
<td>Broker</td>
<td>X</td>
<td></td>
<td>Not allowed on FHA/VA</td>
</tr>
<tr>
<td>Application Fee</td>
<td>Broker</td>
<td>X</td>
<td></td>
<td>No limit on amount but cannot be charged based upon a percentage of the principal loan; brokers usually lump their credit report fee into this; See below for other restrictions.</td>
</tr>
<tr>
<td>Appraisal</td>
<td>Lender/Third-Party</td>
<td>X</td>
<td></td>
<td>Must be supported by invoices; broker cannot charge this fee but can collect this fee on behalf of the lender provided the entire amount of the fee is transmitted to the lender.</td>
</tr>
</tbody>
</table>

***Fee Information continues on the next page***
# FEE INFORMATION CONTINUED

<table>
<thead>
<tr>
<th>Fee Name</th>
<th>Type (Paid to)</th>
<th>Allowed</th>
<th>Not Allowed</th>
<th>Requirement(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney</td>
<td>Lender/Broker/Third-Party</td>
<td>X</td>
<td></td>
<td>Permissible if they are for services actually performed that were reasonably necessary to the transaction</td>
</tr>
<tr>
<td>Broker Fee</td>
<td>Broker</td>
<td>X</td>
<td></td>
<td>Wholesale a broker may charge this fee on borrower paid; PRMG does not charge this on Non-Brokered Retail Loans; Brokered Out Loans it is permissible if it is borrower paid</td>
</tr>
<tr>
<td>Commitment Fee</td>
<td></td>
<td>X</td>
<td></td>
<td>Not an approved PRMG fee</td>
</tr>
<tr>
<td>Courier</td>
<td>Lender/Third-Party</td>
<td>X</td>
<td></td>
<td>Must be an actual fee; cannot be charged by the broker</td>
</tr>
<tr>
<td>Credit Report</td>
<td>Lender (Retail)</td>
<td>X</td>
<td></td>
<td>Must be supported by invoices; can only be charged by PRMG on Retail; otherwise Wholesale the broker must charge it as an application fee</td>
</tr>
<tr>
<td>Discount Points</td>
<td>Lender</td>
<td>X</td>
<td></td>
<td>Permissible if it is for a bona-fide rate reduction</td>
</tr>
<tr>
<td>Document Prep Fee</td>
<td></td>
<td>X</td>
<td></td>
<td>Fees paid to an attorney are permitted for the review of loan documents, but actual Doc Prep Fees are not</td>
</tr>
<tr>
<td>Escrow Fee</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MERS Fee</td>
<td>Third-Party</td>
<td>X</td>
<td></td>
<td>PRMG does not charge a MERS Fee</td>
</tr>
<tr>
<td>Notary Fee</td>
<td>Third-Party</td>
<td>X</td>
<td>$2.50 Fee limit per record</td>
<td></td>
</tr>
<tr>
<td>Origination Fee</td>
<td>Broker</td>
<td>X</td>
<td></td>
<td>Wholesale a broker may charge this fee on borrower paid; PRMG does not charge this on Non-Brokered Retail Loans; Brokered Out Loans it is permissible if it is borrower-paid</td>
</tr>
<tr>
<td>Pest Inspection</td>
<td>Third-Party</td>
<td>X</td>
<td></td>
<td>Must be supported by an invoice</td>
</tr>
<tr>
<td>Processing Fee</td>
<td></td>
<td>X</td>
<td></td>
<td>Not Permissible in New Jersey</td>
</tr>
<tr>
<td>Recording Fee</td>
<td>Third-Party</td>
<td>X</td>
<td></td>
<td>Permissible closing cost and may only reflect the actual cost to record</td>
</tr>
<tr>
<td>Settlement Agent</td>
<td>Third-Party</td>
<td>X</td>
<td></td>
<td>Permissible if it is for services actually performed</td>
</tr>
<tr>
<td>Survey</td>
<td></td>
<td>X</td>
<td></td>
<td>Surveys are not required</td>
</tr>
<tr>
<td>Tax Service</td>
<td>Lender</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title Insurance</td>
<td>Third-Party</td>
<td>X</td>
<td></td>
<td>Must match the premium stated in the policy</td>
</tr>
<tr>
<td>Underwriting</td>
<td></td>
<td>X</td>
<td></td>
<td>PRMG does not charge any U/W or Doc Prep Fees in NJ</td>
</tr>
</tbody>
</table>

*RESPA prohibits lenders from charging fees specifically for preparation of the HUD-1/HUD-1 settlement statement or TILA disclosures*
## GENERAL REQUIREMENTS

### Tangible Net Benefit (TNB) Requirement
- New Jersey does not have state specific tangible net benefit disclosure requirements

### Copies of Loan Documents
- Upon written request, lenders must provide copies of all documents in the borrower’s loan file to the borrower

## GENERAL LOAN RESTRICTIONS AND PRACTICES

### Advertising
- Advertisements or solicitations include business cards and websites
- PRMG’s NMLS ID 75243 must also be on all advertisements
- Loan officers must also include their NMLS identifier on the advertisement
- **Advertisement must include licensee name address, telephone number and the words “Licensed by the NJ Department of Banking and Insurance”**
- **Prohibited Advertising Practices**
  - Prohibited from advertising mortgage terms, including interest rate and discount points, which were not available from the lender or broker
  - Prohibited from transacting business in any name other than what is named on the license and what is registered on NMLS
  - Prohibited from using the word “mortgage” or similar word in any advertising or like matter which tends to represent that the person solicits, makes, brokers, or negotiates mortgage loans unless they are holders of that respective license
  - May not use the words “immediate approval” or “immediate closing”

### General Restrictions
- It is unlawful for any person or entity engaged in real estate related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such transaction, because of: age, race, color, religion, sex, disability, familial status, marital status, sexual orientation, or national origin
- A Lender financing mortgage loans may not condition the loan on the borrower’s use of a particular insurance company, agent, or broker (does not limit a lender from having to approve the use of certain insurance companies based on reasonable criteria)
- Lenders may not require insurance beyond the value of the building(s) located on the property
- A lender may not charge a borrower a separate or additional fee for allowing the borrower to use their own insurance policy that was provided through an insurer licensed to do business in New Jersey

### Predatory Lending Laws
- PRMG does not make loans that exceed the points and fees or other limitations of any local, state, or federal predatory lending law
- **New Jersey Home Ownership Security Act**
  - The NJ Home Ownership Security Act only applies to home loans
    - **Home Loan**: is a loan for personal, family, or household purposes, including an open-end credit plan which is secured by a mortgage or deed of trust on real estate in NJ with one to six family dwelling, or a security interest in a manufactured home which is or will be occupied by the borrower as a principal dwelling
  - **High Cost Home Loans**: is a loan in which the total loan amount does not exceed $428,615.60 and the total points and fees exceed 4.5% of the total loan amount if it is $40,000 or more, the lesser of 6% of the total loan amount or $1000 if the loan amount is less than $20,000, and 6% if the loan amount is between $20,000 or more but less than $40,000

### Prepayment Penalties
- PRMG does not offer programs with prepayment penalties
- If a prepayment penalty where charged, it must be conspicuously stated in the note

### Higher Priced Mortgage Loan (HPML)
- PRMG does not offer higher priced mortgage loans except for what is provided [here](#)

### Reverse Mortgages
- PRMG does not offer Reverse Mortgage Programs on Wholesale, but is allowed to broker them out on Retail

### No Doc/Limited Doc Programs
- PRMG does not offer no doc or limited doc programs in New Jersey
# New Jersey State Guidelines

## LOAN CLOSINGS

### Security Instrument/Document Execution
- New Jersey is a **Mortgage** state
- There are no laws regarding who can be a trustee since it is a mortgage state
- **Witness Requirements:** No witnesses requirements; but the borrower’s signature **must** be notarized

### Closing Practices
- New Jersey is a **wet** funding state
- New Jersey is not an attorney state
  - Both title and attorneys are commonly used in New Jersey

### Property Taxes
- Doc drawers and funders **must** verify the property tax rates and due dates with the local municipality
- **Property Assessments:** Assessments are made on October 1 for the next tax year
- Generally property tax due **quarterly**
  - 1st Quarter: February 1st
  - 2nd Quarter: May 1st
  - 3rd Quarter: August 1st
  - 4th Quarter: November 1st
- ***Note some cities may have an additional Sewer Tax with different due dates (not usually impounded).***

### Marital Rights
- New Jersey is not a community property state
- **Homestead:** There are no homestead rights, but spousal signatures may be required
  - **Non-Title Spouse Signature Requirement:** Not required for Purchase Money Loans but required on the refinance of principal marital residence

## MISCELLANEOUS

### Record Retention
- New Jersey has a requirement to keep all advertisements and loan documents for at least 2 years from the last date the advertisement was published
  - However, PRMG has a **retention policy of 5 years** for both advertisements and loan documents

### Late Charges
- New Jersey allows a maximum late charge of 5%; however, PRMG is still subject to the maximum allowable late charge of 5% on Conventional and 4% on FHA/VA/USDA

### Release of Lien/Payoff
- **Payoff Request:** Payoff balances must be provided within seven (7) days after the request
- **Payoff:** Lender must cancel and release a mortgage within 30 days of payoff and receipt from the borrower of cancellation fees, if any
  - **Permissible Charges:** A lender may charge a service fee $25 at closing but must refund that fee if servicing is transferred prior to the release of the mortgage
  - **Non-Compliance:** Mortgagor can give written notice of non-compliance to the lender, identifying the mortgage, and the date of its satisfaction; if lender has not released the mortgage within 15 days of receiving that notice the lender is subject to the following penalties:
    - $50 fine per day after the 15-day period until compliance
    - Total fine shall not exceed $1000
    - If this is greater than above, Mortgagor can recover actual damages plus court costs and attorney’s fees minus whatever the mortgagor received of the fine
  - **Non-Released Liens Beyond 30 Days:** An attorney or title issuer may record a discharge and affidavit setting forth the circumstances of payment in the specified format: (1) that the mortgage has been paid in full; (2) that a notice was sent to the mortgagor 30 days after the date of payment; (3) that a second notice stating intent to discharge the mortgage by affidavit was sent to mortgagor after an additional 30 days; and (4) at least 15 days has lapsed since the second notice and the mortgagor has not responded or disputed that the mortgage has been fully paid

---

**Return to Top**
<table>
<thead>
<tr>
<th>Requirements</th>
<th>PRMG does not offer any stand-alone second lien loans</th>
</tr>
</thead>
</table>

Return to Top