



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
OFFICE OF THE COMMISSIONER

PO Box 325  
TRENTON, NJ 08625-0325

TEL (609) 292-5360

RICHARD J. CODEY  
*Acting Governor*

DONALD BRYAN  
*Acting Commissioner*

BULLETIN 05-24

TO: ALL INTERESTED PARTIES  
FROM: DONALD BRYAN, ACTING COMMISSIONER  
RE: THE NEW JERSEY HOME OWNERSHIP SECURITY ACT OF 2002

The New Jersey Department of Banking and Insurance (Department) is issuing this bulletin in accordance with the New Jersey Home Ownership Security Act of 2002 (the Act), N.J.S.A. 46:10B-22 et seq.

This Bulletin addresses the annual review required in the Act's definition of a "high cost home loan," set forth at N.J.S.A. 46:10B-24. The Act, effective on November 27, 2003, requires an annual adjustment of the maximum principal amount that will, subject to the other triggering provisions in the Act, result in a loan being considered a "high cost home loan." This adjustment is based on the last published increase in the housing component of the national Consumer Price Index, New York - Northeastern New Jersey Region. (Index) The maximum principal amount as specified in the Act upon enactment was \$350,000. The adjustment for the year 2005 was contained in Bulletin 04-25 and raised the maximum amount to \$365,674.13.

The Index is compiled by the United States Department of Labor, Bureau of Labor Statistics. It is released on their web site at <http://data.bls.gov/cgi-bin/srgate> as series "Cuura 101 Sah." The Index represents a measure of the average change over time in housing prices. As of November 16, 2005, the last published data in the Index indicated an increase of 9.6236 percent between October, 2003 and October, 2005. When applied to the \$350,000 amount specified in the Act, this yields an upward adjustment of \$33,682.60, an increase of \$18,008.47 from 2005. Accordingly, as required by N.J.S.A. 46:10B-24, the Department is adjusting the definition of "high-cost home loan" to provide that the maximum principal amount of a loan that may be considered a high cost home loan will be \$ 383,682.60

The adjusted amount of \$383,682.60 shall be effective for all completed applications on loans that may be subject to the Act received by the lender on or after January 1, 2006. The Department will annually review this number, using the same methodology and effective date in future years, and adjust this number as necessary in accordance with the provisions of the Act.

11/30/05  
Date

/s/ Donald Bryan  
Donald Bryan,  
Acting Commissioner

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