



## State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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*Acting Commissioner*

### BULLETIN NO. 12-15

TO: ALL INTERESTED PARTIES

FROM: KENNETH E. KOBYLowski, ACTING COMMISSIONER

SUBJECT: 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 review and, if necessary, 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 – Northern New Jersey Region (Index). The maximum principal amount as specified in the Act upon enactment was \$350,000. The adjustment for the year 2012 was contained in Bulletin No. 11-29 and raised the maximum amount to \$438,298.70.

The Index is compiled by the United States Department of Labor, Bureau of Labor Statistics. It is released on their website at <http://data.bls.gov/cgi-bin/srgate> as series "CUURA101SAH." The Index represents a measure of the average change over time in housing prices. As of November 15, 2012, the last published data in the Index indicated an increase between October, 2003 and October, 2012 of 26.7127%. When applied to the \$350,000 amount specified in the Act, this yields an upward adjustment of \$93,494.45. 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 \$443,494.45.

The amount of \$443,494.45 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, 2013.

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.

November 23, 2012  
Date



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Kenneth E. Kobylowski  
Acting Commissioner

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