

BANKING
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF BANKING

Reporting of Official E-mail Address

Proposed Amendments: N.J.A.C 3:1-7.4, 3:4-3.3 and 3:23-4.1

Proposed New Rules: N.J.A.C. 3:21-5 and 3:26-5

Authorized By: Steven M. Goldman, Commissioner, Department of Banking and Insurance.

Authority: N.J.S.A. 17:1-8, 8.1, and 15e.

Calendar requirements: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2008-77

Submit comments by May 16, 2008 to:

Robert J. Melillo, Chief
Legislative and Regulatory Affairs
New Jersey Department of Banking and Insurance
20 West State Street
P.O. Box 325
Trenton, NJ 08625-0325
Fax: (609) 292-0896
E-mail: legsregs@dobi.state.nj.us

The agency proposal follows:

Summary

The Department of Banking and Insurance (Department) proposes to amend its rules and add new rules governing New Jersey depository institutions and Department licensees.

The proposed new rules and amendments require that these entities provide to the Department their official e-mail address and notify the Department of changes to it. The Department will then include that address in its database to enable it to send notices, bulletins or

other general communications electronically. The Department has based these requirements on current practices in the financial services industry.

The Department is proposing new rules N.J.A.C. 3:21-5 and 3:26-5 to require credit unions and State associations to provide their official e-mail address as part of their annual report and update it within 10 days of a change. N.J.A.C. 3:23-4.1 regarding annual reports is proposed to be amended to impose the same requirements upon licensees of the Division of Banking.

N.J.A.C. 3:4-3.3 is proposed to be amended to require New Jersey-chartered banks and savings banks to provide their official e-mail address to the Department in writing within 30 days of the effective date of this rule. These entities are not required to file annual reports with the Department and may instead rely on filings made with Federal banking regulators. Consequently, the proposed amendment would impose upon these entities the affirmative obligation of notifying the Department in a separate written communication. This section and N.J.A.C. 3:1-7.4(b) are also proposed to require that an e-mail address provided to the Department be updated within 10 days if it is changed. The Department also proposes to amend N.J.A.C. 3:1-7.4 and 3:4-3.3 to expand the titles of those sections to include a reference to the e-mail address requirement. N.J.A.C. 3:1-7.4 is also proposed to be amended to keep terms consistent and correct two erroneous references to the New Jersey Administrative Code.

A 60-day comment period is provided and, therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, the proposal is not subject to the provisions of N.J.A.C. 1:30-3.1 and 3.2 governing rulemaking calendars.

Social Impact

The proposed new rules and amendments apply to all Department-regulated depository institutions and licensees. They make clear to all such entities the need to provide their official e-mail address to the Department and to keep such e-mail addresses current. This information will enable the Department to expedite the issuance of bulletins, notices and other communications of general interest to regulated entities and enhance the efficiency of the Department's operations. Consequently, the proposed amendments and new rules will have a positive social impact, as the information contained in such pronouncements, which frequently addresses matters that promote the public interest, will be received by the regulated entities in a more timely manner than is presently the case.

Economic Impact

The proposed new rules and amendments will not have a significant negative economic impact on Department-regulated depository institutions and licensees. The requirements proposed to be included in the rules are common business requirements, and the costs of compliance will be minimal. The proposed new rules and amendments will enhance the efficiency of the Department's operations with respect to the issuance of communications of general interest to licensees and/or depository institutions. This in turn will lower the Department's administrative costs, which will economically benefit such institutions and licensees, since the costs of the Department's operations are a component of the assessments imposed upon those regulated entities pursuant to N.J.A.C. 3:5, the dedicated funding assessment.

Federal Standards Statement

The proposed new rules and amendments are not subject to any Federal standards or requirements. Therefore, a Federal standards analysis is not required.

Jobs Impact

The Department does not anticipate that any jobs will be generated or lost as a result of the proposed new rules and amendments.

The Department invites commenters to submit any data or studies concerning the jobs impact of the proposed new rules and amendments together with their written comments on other aspects of this proposal.

Agriculture Industry Impact

The Department does not expect any agriculture industry impact from the proposed new rules and amendments.

Regulatory Flexibility Analysis

Some Department-regulated depository institutions and licensees are small businesses as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed new rules and amendments impose reporting and compliance requirements on these entities. The requirements include providing basic information to the Department and keeping the information on file with the Department current, as discussed in the Summary above.

The Department believes that these requirements will not require the use of any professional services and are fully consistent with modern business practices and efficient regulation. Further, these requirements are not unduly burdensome and do not vary based upon business size. Accordingly, no differentiation in compliance requirements based on business size is provided.

Smart Growth Impact

The proposed new rules and amendments will have no impact on the achievement of growth and implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

CHAPTER 1

GENERAL PROVISIONS

3:1-7.4 Address **and official e-mail address** change

(a) [Every] **Licensed lenders and each** licensee referenced in N.J.A.C. [3:1-7.1(a)1] **3:23-2.1(b)** that changes a licensed business address at any time shall, within 10 days of the change, submit information relative to the address change to the Commissioner, and surrender the affected license or licenses; except that pawnbrokers, check cashers and insurance premium finance companies shall comply with the provisions of N.J.A.C. 3:16-1.6, [N.J.A.C.] 3:24-

[1.6(h)] **1.5(h)**, or N.J.S.A. 17:16D-4, respectively. Licensees submitting a notice of change of address pursuant to this section shall submit their license or licenses for the issuance of the new license reflecting the change. Within 30 days of receipt of the notice of change of address and all documentation necessary to effectuate the change, the Commissioner shall issue a new license or licenses that reflect the change. With the exception of check cashers, while the licensee is awaiting the issuance of the license or licenses reflecting the new address, the licensee may continue in business, provided that all documentation is supplied, unless the licensee receives notice of suspension or revocation, or unless the licensing period if any, expires.

(b) Licensed lenders and each licensee referenced in N.J.A.C. 3:23-2.1(b) that changes its official e-mail address shall, within 10 days of the change, notify the Department in writing of such a change. The written notice shall be supplied on letterhead signed by an officer of the licensed entity and include the full name of the entity, its old e-mail address, its new e-mail address and the effective date of the change. The notice shall be sent to: New Jersey Department of Banking and Insurance, Division of Banking, Attention: Office of Consumer Finance, 20 West State Street, P.O. Box 040, Trenton, New Jersey 08625-0040.

CHAPTER 4

DEPOSITORY INSTITUTIONS

3:4-3.3 Call reports **and official e-mail address**

(a) - (c) (No change.)

(d) Notwithstanding the provisions in (b) above, each bank shall provide the Department in writing, on letterhead signed by an officer, with its official e-mail address by (30 days of the effective date of this rule). Within 10 days following any change in the official e-mail address previously provided to the Department, the bank shall notify the Department of the change in the same manner and include the full name of the entity, its old e-mail address, its new e-mail address and the effective date of the change. The notice shall be sent to: New Jersey Department of Banking and Insurance, Division of Banking, Attention: Depositories, 20 West State Street, P.O. Box 040, Trenton, New Jersey 08625-0040.

CHAPTER 21

CREDIT UNIONS

SUBCHAPTER 5. COMMUNICATIONS FROM THE DEPARTMENT OF BANKING AND INSURANCE

3:21-5.1 Official e-mail address

Each credit union shall provide its official e-mail address to the Department as part of its annual report to the Commissioner required by N.J.S.A. 17:13-111. Within 10 days following any change in the official e-mail address previously provided to the Department, the credit union shall notify the Department in writing, on letterhead signed by an officer, of the change and include the full name of the entity, its old e-mail address, its new e-mail address and the effective date of the change. The notice shall be sent to: New Jersey

Department of Banking and Insurance, Division of Banking, Attention: Office of Consumer Finance, 20 West State Street, P.O. Box 040, Trenton, New Jersey 08625-0040.

CHAPTER 23

FEES, LICENSE TERMS AND ANNUAL REPORTS FOR LICENSEES

3:23-4.1 Filing of annual reports

Unless otherwise prescribed by a statute applicable to a particular license type, each licensee listed in N.J.A.C. 3:23-2.1, including licensed lenders, shall file an annual report on or before April 1 on a form supplied by the Commissioner. The form shall include the licensee's name, address, **official e-mail address**, volume of business(es), bonding information, if any, and may include any other information that the licensee is required by rule or statute to maintain or report. The filing of annual reports by check cashers, insurance premium finance companies and pawnbrokers shall be governed by the provisions of N.J.S.A. 17:15A-45, 17:16D-7 and 45:22-12, respectively.

SUBCHAPTER 5. COMMUNICATIONS FROM THE DEPARTMENT

3:26-5.1 Official e-mail address

Each State association as defined in N.J.S.A. 17:12B-5 shall provide its official e-mail address to the Department as part of its annually filed report to the Commissioner required by N.J.S.A. 17:12B-171. Within 10 days following any change in the official e-mail address previously provided to the Department, the State association shall notify the Department in writing, on letterhead signed by an officer, of the change and include the

full name of the entity, its old e-mail address, its new e-mail address and the effective date of the change. The notice shall be sent to: New Jersey Department of Banking and Insurance, Division of Banking, Attention: Depositories, 20 West State Street, P.O. Box 040, Trenton, New Jersey 08625-0040.

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