

ADOPTIONS SECTION

BANKING

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Investments

Readoption: N.J.A.C. 3:11

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, 17:2-10, 17:9A-24, 17:9A-24.13, 17:9A-25(12), 17:9A-25.3, 17:9A-26(7), 17:9A-60, 17:9A-62, and 17:9A-182.1 through 17:9A-182.3, and 17:12B-165 and 17:12B-168.

Authorized By: Richard J. Badolato, Commissioner, Department of Banking and Insurance.

Effective Date: July 17, 2017.

New Expiration Date: July 17, 2024.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:11 were scheduled to expire on October 7, 2017. These rules are promulgated to implement many essential provisions of the Banking Act of 1948 and its subsequent amendments (N.J.S.A. 17:9A-1 et seq.) and the Savings and Loan Act of 1963 and its subsequent amendments (N.J.S.A. 17:12B-1 et seq.). The chapter contains rules concerning the following subjects: loan and investment approval; organization and operation of small business investment companies; investment by bank in capital stock of a bank principally engaged in international or foreign banking; investment by a bank, savings bank, or State association in capital stock of domestic operating subsidiaries; approved stock investments; limitation of liability to a bank, savings bank

or State association; savings banks investment securities; standby letters of credit; savings banks and State association; credit cards; restrictions of leeway investments; savings banks; commercial loans; and officers and directors restrictions. As part of this readoption process, the Department has undertaken a review of N.J.A.C. 3:11. Each section was examined to determine whether it still provides a useful function within the banking regulation system of the State of New Jersey. The Department has determined that N.J.A.C. 3:11 continues to provide the banking industry with appropriate regulatory standards regarding the investments they may undertake. The Department has concluded that the original purpose of each rule continues to exist and is proposing to readopt the rules without amendment.

The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.