

LEGISLATIVE COMMENTS

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Although a flurry of bills are introduced in the beginning of any year, as the year continues, some bills fall by the wayside, others pick up momentum and are moved forward with some speed, and others are kept in various committees as the legislators negotiate the issues and, sometimes more importantly, the language that the bill should contain.

One bill that was moved forward with extraordinary speed was Assembly Bill 1958. This bill was introduced on March 4, 2002 and was signed into law a month later by the Governor, on April 9, 2002. The new law "clarifies" that assessments for improvements be a continuous lien from the effective date of the ordinance or resolution authorizing the assessment. It is intended to operate in conjunction with the recent amendment to the existing law which provides that the lien of assessments (when confirmed) 'relates back' to the date of the ordinance authorizing the improvements (P.L. 2002, c.15). The impact to our industry is to make us more aware of assessments and assessment searches, and to make sure that assessments are paid at or before closing.

On the other hand, the bills that concern notaries are still working their way through the legislative process. As readers may remember, Assembly Bill 1848 / Senate Bill 299 increases fees only while Assembly Bill 1840 / Senate Bill 879 changes requirements and guidelines of notaries, but does not change the fees. Your industry representatives and lobbyists were successful in speaking to some legislators in an effort to combine both bills. However, a new bill, introduced on June 6, 2002 as Assembly Bill 2506 also includes a provision that would increase the notary fees to the same fees that we had recommended under the previous bill. Now, we have to wait to see which will move forward.

On another front, various bills have been introduced that are causing a stir, not only in our industry, but also in the banking and mortgage industry. They are bills dealing with unfair lending practices, otherwise known as "predatory lending" bills. The issue of unfair lending practices is receiving a good deal of press coverage as some borrowers are realizing they paid too much in closing fees, costs and points. In return, legislators are receiving a good deal of pressure, but from two very different sides. The consumer groups are voicing a strong opinion to "fix things" but lenders, brokers and bankers feel that nothing really needs "to be fixed". Watching for the end result will prove very interesting. The bill that seems to be moving the quickest at this point is Assembly Bill 75.

Although we do not believe it was intent of the sponsors to hold title companies responsible for a lender's failure to comply with the provisions of the act, the text could be misunderstood to

- (1) include title fees in the calculation of what is a "predatory loan" and,
- (2) impose liability for non-compliance with the act upon the title company or agent or attorney who closes a loan. Again, your industry representatives are working with

legislators and our lobbyists to voice our concerns and, hopefully work out a positive solution.

The above bills, as all bills, can be found on the New Jersey Legislative web site, www.njleg.state.nj.us. The site provides not only the bill itself, but also which senator or assemblyperson sponsored it and where it is in the legislative process.

We, as always, will continue to monitor and report those bills of concern to our industry. If you hear of any, or want to be involved in our cause, let us know.