

APPENDIX O - HOME REPAIR FINANCING ACT

Chapter 16C. RETAIL INSTALLMENT SALES

Section

- 17:16C-62 Definitions.
- 17:16C-63 Home repair contracts; form and contents.
- 17:16C-64 Prohibited contract provisions.
- 17:16C-64.1 Relief from civil remedy against home repair contractor prohibited.
- 17:16C-64.2 Required printing on note; negotiability prohibited.
- 17:16C-64.3 Penalty.
- 17:16C-64.4 Certain recovery prohibited.
- 17:16C-65 Home repair contractor; qualifications; executed copy of contract and acknowledgment of receipt required.
- 17:16C-66 Certificate of completion; request or acceptance prior to completion of work prohibited; notice.
- 17:16C-67 Separate statements in contract.
- 17:16C-68 Payment of time balance; extension of scheduled due date; options for computing additional charge.
- 17:16C-69 Home repair contractors.
- 17:16C-70 May collect permitted costs, charges, etc. only.
- 17:16C-71 Delinquency or collection charges; limitation; attorney's fees.
- 17:16C-72 Receipt for cash payment; contents.
- 17:16C-73 Payment in advance; determination of amount.
- 17:16C-74 Status of owner's account furnished; limits number.
- 17:16C-75 Duties of holder upon payment in full.
- 17:16C-76 Unauthorized costs and charges unenforceable.
- 17:16C-77 Unlicensed businesses; license of contractor, salesman, and agency; nontransferability of license.
- 17:16C-78 Application for license.
- 17:16C-79 Issuance or refusal of license.
- 17:16C-80 Action by commissioner upon refusal to grant license.
- 17:16C-81 Transaction of business under other names or at other locations; change of location.
- 17:16C-82 License fees.
- 17:16C-83 No abatement in amount of license fee.
- 17:16C-84 Suspend, revoke or refuse to renew license; notice; hearing.
- 17:16C-85 Investigations and examination of records; administer oaths.
- 17:16C-86 Power of subpoena; court order to compel attendance.
- 17:16C-87 Maintenance and preservation of books, accounts and records, annual report.
- 17:16C-88 Sale, transfer or assignment of obligation or evidence of indebtedness.
- 17:16C-89 Violation; penalty; recovery of penalty.
- 17:16C-90 Provisions severable.
- 17:16C-91 through
- 17:16C-92 Repealed.
- 17:16C-93 Short title. ["Home Repair Financing Act"].
- 17:16C-94 Effective date.

17:16C-62. Definitions. Unless the context otherwise indicates:

(a) "Goods" means all chattels personal which are furnished or used in the modernization, rehabilitation, repair, alteration or improvement of real property except those furnished or used for a commercial or business purpose or for resale, and except stoves, freezers, refrigerators, air conditioners other than those connected with a central heating system, hot water heaters and other appliances

furnished for use in a home and designed to be removable therefrom without material injury to the structure, and except chattels personal under a contract in which the cash price is \$300.00 or less and which is subject to the "Retail Installment Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.);

(b) "Services" means labor, equipment and facilities furnished or used in connection with the installation or application of goods in the modernization, rehabilitation, repair, alteration or improvement of real property;

(c) "Home repair contract" means an agreement, whether contained in one or more documents, between a home repair contractor and an owner to pay the time sales price of goods or services in installments over a period of time greater than 90 days;

(d) "Home repair contractor" means any person engaged in the business of selling goods or services pursuant to a home repair contract;

(e) "Commissioner" means the Commissioner of Banking and Insurance of New Jersey and includes any deputies or employees of the department designated by him to administer and enforce this act [17:16C-62 et seq.];

(f) "Official fees" means the fees to be paid to a public officer for obtaining any permit or filing any lien or mortgage taken or reserved as security pursuant to a home repair contract;

(g) "Cash price" means the cash sales price for which the home repair contractor would sell the goods or services which are the subject matter of a home repair contract if the sale were a sale for cash rather than an installment sale;

(h) "Down payment" means all payments made in cash to the home repair contractor and all allowances given by the home repair contractor to the owner prior to or substantially contemporaneous with the execution of the home repair contract;

(i) "Credit service charge" means that amount by which the time sales price exceeds the aggregate of the cash price and the amounts specifically included for official fees and, if a separate charge is made therefor, the amount included for insurance and other benefits as provided in paragraph (4) of subsection (a) of section 6 of P.L.1960, c.41 (C.17:16C-67);

(j) "Time sales price" means the total amount to be paid pursuant to the contract excluding default charges authorized under this act;

(k) "Owner" means a person, including a tenant, who buys goods or services pursuant to a home repair contract;

(l) "Home financing agency" means any person, other than a home repair contractor, engaged, directly or indirectly, in the business of purchasing, acquiring, soliciting or arranging for the acquisition of home repair contracts or any obligation in connection therewith by purchase, discount, pledge or otherwise;

(m) "Holder" means any person who is entitled to the rights of a home repair contractor under a home repair contract;

(n) "Home repair salesman" means any individual who obtains a bona fide home repair contract;

(o) "Payment-period" means the period of time scheduled by a home repair contract to elapse between the days upon which installment payments are scheduled to be made on such contract; except that, where installment payments are scheduled by the home repair contract to be omitted, "payment-period" means the period of time scheduled by the contract to elapse between the days upon

which installment payments are scheduled to be made during that portion of the contract period in which no installment payment is scheduled to be omitted;

(p) “Contract period” means the period beginning on the date of a home repair contract and ending on the date scheduled by the contract for the payment of the final installment;

(q) “Actuarial method” means the method of applying payments made on a home repair contract between principal and credit service charge pursuant to which a payment is applied first to accumulated credit service charge and the remainder is applied to the unpaid principal balance of the home repair contract in reduction thereof;

(r) “Precomputed credit service charge” means an amount equal to the whole amount of credit service charge payable on a home repair contract for the period from the making of the contract to the date scheduled by the terms of the contract for the payment of the final installment;

(s) “Precomputed contract” means a home repair contract in which the face amount of the payment due consists of the balance so evidenced and the credit service charge thereon; and

(t) “Nonprecomputed contract” means a home repair contract in which the face amount of the payment due consists solely of the balance due on the contract, or a home repair contract in which the credit service charge is imposed on the outstanding balance from month to month.

Adopted. L. 1960, c. 41, §1. **Amended.** L. 1966, c. 325, §1; L. 1968, c. 220, §2; L. 1980, c. 174, §1; L. 1997, c. 84, §1, effective April 30, 1997, .

17:16C-63. Home repair contracts; form and contents. Every home repair contract:

(a) Shall be in writing and contain the entire agreement between the owner and the home repair contractor;

(b) Shall state the names and addresses of all parties, the dates when executed by the parties and contain a description of the goods and services;

(c) Shall be completed in full without any blank spaces to be filled in after the contract is signed by the owner, except for serial number or identifying marks which are not available for the description of the goods at that time;

(d) Shall contain the following notice in 10-point bold type or larger, directly above the space provided for the signature of the owner:

“NOTICE TO OWNER

Do not sign this contract in blank.

You are entitled to a copy of the contract at the time you sign.

Keep it to protect your legal rights.

Do not sign any completion certificate or agreement stating that you are satisfied with the entire project before this project is complete. Home repair contractors are prohibited by law from requesting or accepting a certificate of completion signed by the owner prior to the actual completion of the work to be performed under the home repair contract.”

(e) Shall state that workmen’s compensation and public liability insurance are carried by the home repair contractor and applicable to the work to be performed under the contract or if the home repair contractor is qualified as a self-insurer pursuant to Title 34; and

(f) If the home repair contractor is precluded from purchasing workmen's compensation under chapter 15 of Title 34 of the Revised Statutes, he shall state that he does not carry workmen's compensation insurance.

Adopted. L. 1960, c. 41, §2. **Amended.** L. 1968, c. 220, §3; L. 1975, c. 187, §1.

17:16C-64. Prohibited contract provisions. No home repair contract shall contain:

(a) any acceleration clause under which any part or all of the time balance not yet matured may be declared due and payable because the holder deems himself to be insecure;

(b) any agreement to pay any amount other than the time sales price of the goods or services furnished under the contract, provided that a retail installment contract under the Retail Installment Sales Act of 1960 may be included in a home repair contract;

(c) any power of attorney to confess judgment or any other power of attorney;

(d) any provision relieving the home repair contractor from liability upon any claim which the owner may have under the contract;

(e) any provisions whereby the owner waives any right of action against the home repair contractor or holder or other person acting in his or their behalf for any act committed in the collection of the payments under the contract or in the repossession of the goods, the subject matter of the home repair contract;

(f) any assignment of or order for the payment of any salary wages, commissions or other compensation for services, or any part thereof, earned or to be earned;

(g) any provision for a payment or credit to any owner for the privilege of placing any sign on the premises where the work is being done or for recommending to the home repair contractor the names of any person or persons, who might be interested in making an installment home repair contract unless such provision has been approved by the commissioner.

Adopted. L. 1960, c. 41, §3. **Amended.** L. 1968, c. 220, §4.

17:16C-64.1. Relief from civil remedy against home repair contractor prohibited. No home repair contract shall contain any provision relieving the holder, or other assignee, from liability for any civil remedy sounding in contract which the owner may have against the home repair contractor under the home repair contract or under any separate instrument executed in connection therewith.

Adopted. L. 1969, c. 237, §1.

17:16C-64.2. Required printing on note; negotiability prohibited. No home repair contract shall require or entail the execution of any note unless a home repair contractor obtains a bond in a form and amount prescribed by regulations of the commissioner, but said bond shall be in the amount of \$25,000 or 1% of a home repair contractor's home improvement annual sales of the previous year, whichever is greater, and applies for a building permit, if required, within 10 business days of the execution of the home repair contract. The bond shall be obtained from a surety company authorized by law to do business in this State and shall be filed with the commissioner. The bond required by this section shall contain a provision that it shall not be canceled for any cause unless notice of intention to cancel is filed in the department at least 30 days before the day upon which cancellation shall take effect. That note shall have printed the words "CONSUMER NOTE" in 10-point bold type or larger on the face thereof. Such a

note with the words “CONSUMER NOTE” printed thereon shall be subject to the terms and conditions of the home repair contract and shall not be a negotiable instrument within the meaning of chapter 3 (Negotiable Instruments) of the Uniform Commercial Code, N.J.S.12A:3-101 et seq.

Adopted. L. 1969, c. 237, §2. **Amended.** L. 1995, c. 28, §13, effective June 1, 1995; L. 2003, c. 94, §1, effective June 23, 2003.

17:16C-64.3. Penalty. Any person who procures the execution of a note in violation of this act [17:16C-64.1 et seq.] shall be liable to a penalty of not more than \$500.00 for each offense.

Adopted. L. 1969, c. 237, §3.

17:16C-64.4. Certain recovery prohibited. In the event that a note is executed in connection with a home repair contract in violation of this act [17:16C-64.1 et seq.], no finance, delinquency, collection, repossession or refinancing charges may be recovered in any action or proceeding based on the contract.

Adopted. L. 1969, c. 237, §4.

17:16C-65. Home repair contractor; qualifications; executed copy of contract and acknowledgment of receipt required. (a) Every home repair contractor must own, rent or lease a place of business in the State of New Jersey; namely, an office, warehouse or store or any combination of these. The premise or premises, as the case may be, must be identified by a sign, as permitted by the laws of the local municipality. The sign shall be legible to a visitor entering the main entrance of the place of business and shall contain the words “licensed as a home repair contractor”.

(b) A home repair contractor, in lieu of the above, may operate from a private residence but in doing so must list such residence in the nearest post office, local telephone directory and with the commissioner as a business address.

(c) A home repair contractor may operate as an individual, partnership, limited partnership or corporation. In the event the business is conducted under a trade name, such trade name shall be made a matter of record as required by law.

(d) A home repair contractor must carry workmen’s compensation and public liability insurance except if he qualifies as a self-insurer under Title 34 or if he is precluded from purchasing workmen’s compensation under chapter 15 of Title 34 of the Revised Statutes.

(e) Every home repair contractor shall furnish without charge a completely executed copy of the home repair contract to the owner immediately after the owner signs such contract and the acknowledgment of receipt thereof by the owner shall be in 10-point bold type or larger.

Adopted. L. 1960, c. 41, §4. **Amended.** L. 1968, c. 220, §5.

17:16C-66. Certificate of completion; request or acceptance prior to completion of work prohibited; notice. No home repair contractor shall request or accept a certificate of completion signed by the owner prior to the actual completion of the work to be performed under the home repair contract.

Every such home repair completion certificate or agreement shall contain the following notice in 10-point bold type or larger, directly above the space provided for the signature of the owner.

“NOTICE TO OWNER

Do not sign this completion certificate or any agreement stating that you are satisfied with the entire project before this project is complete. Home repair contractors are prohibited by law from requesting or accepting a certificate of completion signed by the owner prior to the actual completion of the work to be performed under the home repair contract.”

Adopted. L. 1960, c. 41, §5. **Amended.** L. 1975, c. 187, §2.

17:16C-67. Separate statements in contract. (a) Every home repair contract shall state separately:

- (1) the cash price of the goods or services to be furnished;
- (2) the down payment;
- (3) the unpaid cash balance which is the difference between paragraphs (1) and (2) of this subsection (a);
- (4) the amount, if any, if a separate charge is made therefor, included for credit life insurance and other benefits pursuant to N.J.S.17B:29-1 et seq., specifying the coverages and benefits;
- (5) the official fees;
- (6) the principal balance, which is the sum of paragraphs (3), (4) and (5) of this subsection (a);
- (7) the credit service charge;
- (8) the time balance, which is the sum of paragraphs (6) and (7) of this subsection (a), the number of installments required, the amount of each installment and the due dates thereof;

(b) In lieu of the disclosures specified in paragraphs (1) through (8) of subsection (a) of this section, a precomputed or a nonprecomputed home repair contract shall be deemed to be in compliance with the requirements of this section if the home repair contract provides the disclosures required by the federal “Truth in Lending Act,” 15 U.S.C. s.1601 et seq. and the regulations implementing that act, 12 C.F.R. s.226 et seq., for open-end or closed-end loans, as applicable.

Adopted. L. 1960, c. 41, §6. **Amended.** L. 1966, c. 325, §2; L. 1968, c. 220, §6; L. 1997, c. 84, §2, effective April 30, 1997, .

17:16C-68. Payment of time balance; extension of scheduled due date; options for computing additional charge. (a) Every home repair contract shall provide for the payment of the time balance in substantially equal amounts on dates separated by substantially equal payment-periods; except that the home repair contractor may defer the initial installment for a period of 60 days or for a period of 180 days on seasonal goods sold out of season; and, provided further, that when appropriate for the purpose of facilitating payment, in accordance with an owner’s intermittent income, a contract may provide for payment on a schedule which reduces or omits payments over a period or periods not in excess of 93 days in any 12-month period or a contract may provide an installment schedule which reduces or omits payments over any period or periods of time during which period or periods the owner’s income is reduced or suspended. When a home repair contract provides for unequal or irregular installments, the credit service charge shall not exceed the effective rate provided in section 8 [17:16C-69], having due regard for the schedule of installments.

(b) The holder of a home repair contract may extend the scheduled due date of any home repair contract and defer the scheduled due date of any or all installment payments, or reduce the amount of any or all installments and may, as a consideration therefor, make a total additional charge not to exceed the amount

ascertained under either of the following methods of computation at the respective rates indicated by the following options:

Option 1. The additional charge shall be computed on the amount of the scheduled installment or installments extended, deferred or reduced, for the period or periods for which each installment or part thereof is extended, deferred or reduced, at the rate of 1% per month.

Option 2. The holder of a home repair contract may, by written agreement, renew the entire unpaid balance owing on a home repair contract and may make a charge therefor at the rate charged in the contract so renewed, from the date of renewal to the maturity of the final installment.

(c) The unpaid balances owing on two or more home repair contracts held by the same holder may be consolidated, and the consolidated balance may be paid in such installments and over such period of time as the owner and the holder of such home repair contracts may agree upon in writing. A credit service charge may be made based upon such consolidated balance within the limits imposed by section 8.

(d) The consolidation of the unpaid balances owing on two or more home repair contracts shall be effected by an agreement in writing which shall identify the home repair contracts affected by such consolidation by reference to the dates of their execution, the names of the parties thereto, and the location of the property or properties in connection with which the goods and services were furnished pursuant to such contracts. Such agreement shall state as separate items

(1) The unpaid balance owing on each of the contracts affected by the consolidation, and the total of such balances;

(2) The amount, if any, of the charge made pursuant to subsection (d) of section 6 [17:16C-67];

(3) The official fees;

(4) The consolidated balance, which is the sum of the unpaid balances as shown pursuant to paragraph (1) of this subsection, and the amounts shown pursuant to paragraphs (2) and (3) of this subsection;

(5) The credit service charge, which shall be computed pursuant to section 8, except that such charge shall be based upon the consolidated balance as shown pursuant to paragraph (4) of this subsection, instead of upon the principal balance as provided in section 8 [17:16C-69];

(6) The time balance, which is the sum of the consolidated balance as shown pursuant to paragraph (4) of this subsection and the credit service charge, as shown pursuant to paragraph (5) of this subsection, the number of installments required, the amount of each installment, and the due dates thereof.

(e) For the purposes of this section, "unpaid balance owing" on a home repair contract means the amount which would be required to pay the contract in full if such payment were made on the day when an agreement is entered into pursuant to Option 2 of subsection (b) of this section, or a consolidation of balances is effected pursuant to paragraph (d) of this subsection. In computing the amount of the unpaid balance owing on a contract, a credit shall be allowed according to the formula provided by section 12 [17:16C-73], except that, in applying such formula, no deduction for an acquisition charge shall be taken.

Adopted. L. 1960, c. 41, §7. **Amended.** L. 1966, c. 325, §3; L. 1968, c. 193, §1; L. 1973, c. 33, §1.

17:16C-69. Home repair contractors. a. A home repair contractor may impose and receive a credit service charge in an amount or amounts agreed to by

the home repair contractor and the owner on the amount owing on the unpaid principal balance of the contract. This section shall not limit or restrict the manner of contracting for the credit service charge, whether by way of add-on, discount, periodic rate or otherwise, so long as the charge does not exceed that permitted by this section. In the case of a precomputed contract, the charge may be computed on the assumption that all scheduled payments will be made when due, and all scheduled installment payments made on a precomputed contract may be applied as if they were received on their scheduled due dates. In the case of nonprecomputed loans, all installment payments shall be applied no later than the date of receipt, and a day shall be counted as 1/365 of a year.

b. Notwithstanding the provisions of section 12 of P.L.1960, c.41 (C.17:16C-73), when the unpaid balance owing upon a contract is paid in full or the maturity of the unpaid balance of such contract is accelerated, before the date scheduled for the payment of the final installment, the holder of a precomputed contract shall allow a credit on account of the credit service charge, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the contract is prepaid within 12 months after the first payment is due, a holder may charge a prepayment penalty of not more than (1) \$20.00 on any contract up to and including \$2,000.00; (2) an amount equal to 1% of the loan on any contract greater than \$2,000.00 and up to and including \$5,000.00; and (3) \$100.00 on any contract exceeding \$5,000.00.

c. With respect to nonprecomputed contracts, the regularly scheduled minimum monthly payments of principal and credit service charges, irrespective of any other charges permitted under P.L.1960, c.41 (C.17:16C-62 et seq.), for any debt incurred for the purchase of a home improvement shall result in positive amortization of the debt and shall not increase the amount of debt outstanding.

Adopted. L. 1960, c. 41, §8. **Amended.** L. 1980, c. 174, §2; L. 1981, c. 103, §15; L. 1997, c. 84, §3, effective April 30, 1997, .

17:16C-70. May collect permitted costs, charges, etc. only. No home repair contractor or any other person shall charge, collect or receive from any owner, directly or indirectly, any further or other amount for costs, charges, insurance premiums, examination, appraisal service, brokerage, commission, interest, discount, expense, fee, fine, penalty or other thing of value in connection with a home repair contract, other than the charges permitted by this act [17:16C-62 et seq.] and chapter 169 of the laws of 1958, except court costs, attorney's fees and the expenses of retaking and storing repossessed goods which are authorized by law.

Adopted. L. 1960, c. 41, §9.

17:16C-71. Delinquency or collection charges; limitation; attorney's fees.

(a) A home repair contract using a precomputed credit service charge may provide for a delinquency or collection charge for default in the payment of any such contract or any installment thereof, if such default continues for a period of 10 days. Such charge shall not exceed 5% of the amount of the installment in default or \$5.00 whichever is the lesser and may be collected in cash or charged to the owner's account. If charged to the owner's account such charge shall be levied within 35 days from the date of such default and written notification that such charge has been made shall be mailed to the owner within 5 days from the date when such charge was made.

(b) The home repair contract may also provide for the payment of reasonable attorney's fees when a payment in default for a period of 10 days is referred to an attorney, not a salaried employee of the holder of the contract, for collection.

Adopted. L. 1960, c. 41, §10. **Amended.** L. 1980, c. 174, §3.

17:16C-72. Receipt for cash payment; contents. Whenever payment is made in cash on account of any home repair contract, the person receiving such payment shall, at the time of receiving such payment, furnish to the person making such payment a written receipt therefor showing the date, identification of the account and the amount paid. Unless notice has been given to the owner of an assignment of a home repair contract, payment thereunder or tender thereof by the owner to the last known holder of such contract shall be binding upon any holder or assignee thereof.

Adopted. L. 1960, c. 41, §11.

17:16C-73. Payment in advance; determination of amount. (a) When the unpaid balance owing on a precomputed home repair contract is repaid in full at any time before the end of the contract period, the holder of the contract shall allow a credit on account of the precomputed credit service charge, the amount of which shall be determined by the application of the formula $C = AN/D$, in which "C" represents the amount of the credit to be given; "A" represents the amount of the credit service charge, less an acquisition cost of \$15.00; "D" represents an amount determined as follows: there shall be ascribed to each payment-period included in the contract period, beginning with the first payment-period scheduled by the contract, the cardinal number descriptive of the number of payment-periods scheduled by the contract to elapse from the beginning of each such payment-period to the end of the contract period, and the sum of all such cardinal numbers shall constitute the quantity "D"; and "N" represents the difference between the quantity "D" and the sum of all the cardinal numbers ascribed to the payment-periods which have elapsed, in whole or in part, from the date of the contract to the date upon which such repayment is made. This section shall not apply when the amount of the credit is less than \$1.00.

(b) The unpaid balance of a nonprecomputed contract may be paid in full at any time without penalty.

Adopted. L. 1960, c. 41, §12. **Amended.** L. 1966, c. 325, §4; L. 1980, c. 174, §4.

17:16C-74. Status of owner's account furnished; limits number. Upon written request from the owner, the holder of the home repair contract shall deliver to the owner within 10 days from receipt of the written request a statement of the owner's account showing the date and amount of all payments made or credited to the account and the total amount, if any, unpaid under the contract. Not more than 2 such statements shall be required in any 12-month period.

Adopted. L. 1960, c. 41, §13.

17:16C-75. Duties of holder upon payment in full. With respect to contracts pursuant to which there is a lien, mortgage or encumbrance upon the goods or real property, upon payment in full by the owner of the time sales price and other amounts lawfully due under a home repair contract, the holder shall:

(a) return to the owner either the original instruments evidencing indebtedness under a home repair contract which were signed by the owner or his sureties or guarantors in connection with such contract or a copy thereof, excepting such

instruments as are filed with a public official and retained in the files of such official;

(b) release all security interest in the goods or real property affected by the home repair contract; and

(c) deliver to the owner such good and sufficient assignments, releases of liens and mortgages on personal and real property and such other instruments of title as may be necessary to vest the owner with complete evidence of title.

With respect to all other contracts, the holder, upon payment in full by the retail buyer of the time sales price and other amounts lawfully due under a home repair contract, shall furnish the owner with such instruments as the commissioner may by regulation provide.

Adopted. L. 1960, c. 41, §14. **Amended.** L. 1968, c. 220, §7; L. 1995, c. 33, §4, effective March 1, 1995.

17:16C-76. Unauthorized costs and charges unenforceable. All costs and charges in connection with such contract which are not authorized by this act [17:16C-62 et seq.] shall be unenforceable. Any payment of such costs or charges shall be applied to the next maturing installment or, if the contract has been fully paid, remitted to the owner and the owner shall be entitled to recover all such costs or charges.

Adopted. L. 1960, c. 41, §15.

17:16C-77. Unlicensed businesses; license of contractor, salesman, and agency; nontransferability of license. (a) No person shall engage in the business of a home financing agency, home repair contractor, or a home repair salesman in this State without first obtaining a license from the commissioner as provided for in this act [17:16C-62 et seq.], except that an individual, partner or officer or director of a corporation licensed as a home repair contractor shall not be required to obtain a home repair salesman license.

(b) (Deleted by amendment.)

(c) No home repair contractor shall employ any home repair salesman to procure a home repair contract from an owner on behalf of the contractor until the home repair salesman is licensed under this act.

(d) Any bank, trust company or national bank or any State or Federally chartered savings and loan association authorized to do business in this State and any licensed sales finance company shall be authorized to transact business as a home financing agency and shall be deemed to be a home financing agency for the purpose of this act, subject to all of the provisions of this act, except that it shall not be required to obtain a license or pay a license fee hereunder.

(e) No license issued under this act shall be transferable or assignable.

(f) No home repair salesman may concurrently represent more than one contractor in the solicitation or negotiation of any one home repair contract from an owner. The use of a contract form which fails to disclose a named contractor principal, whether for the purpose of offering the contract to various contractors other than the one the salesman purported to represent in negotiation or otherwise, is prohibited. No salesman may be authorized to select a prime contractor on behalf of the owner.

(g) No home repair salesman shall accept or pay any compensation of any kind, for or on account of a home improvement transaction, from or for any person other than the contractor whom he represents with respect to the transaction.

Adopted. L. 1960, c. 41, §16. **Amended.** L. 1968, c. 220, §8; L. 1971, c. 57, §1.

17:16C-78. Application for license. (a) Application for a license under this act [17:16C-62 et seq.] shall be in writing, under oath, and shall be in the form prescribed by the commissioner.

(b) The application for a home repair contractor or home financing agency license shall state the name and residence and business addresses of the applicant, and if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof. It shall also state the address where the business is to be conducted, demonstrate the financial responsibility of the applicant and set forth any other information the commissioner may require.

(c) The application for a home repair salesman license shall state the name and residence address of the applicant, the name and business address of his employer, the names and addresses of each and every employer by whom the applicant was previously employed within the past 5 years and shall set forth any other information the commissioner may require.

Adopted. L. 1960, c. 41, §17. **Amended.** L. 1968, c. 220, §9.

17:16C-79. Issuance or refusal of license. Within 60 days after the filing of the application and the payment of the fees herein set forth the commissioner shall:

(a) issue and deliver to the applicant a license to engage in the business of a home financing agency, home repair contractor, or a home repair salesman in accordance with the provisions of this act [17:16C-62 et seq.]; or

(b) refuse to issue the license for any reason for which he may suspend, revoke or refuse to renew any license under this act.

Adopted. L. 1960, c. 41, §18. **Amended.** L. 1968, c. 220, §10.

17:16C-80. Action by commissioner upon refusal to grant license. If the commissioner refuses to issue a license he shall:

(a) Notify the applicant of the denial and of his right to request a hearing within 10 days;

(b) If the applicant does not request a hearing, return the sum paid as a license fee;

(c) If the applicant requests such a hearing, give notice of the grounds for refusal and hold a hearing thereon, and within 30 days after such hearing the commissioner shall file a written decision containing his findings and conclusions and serve a copy thereof upon the applicant.

Adopted. L. 1960, c. 41, §19.

17:16C-81. Transaction of business under other names or at other locations; change of location. (a) No home repair contractor or home financing agency shall transact any business subject to this act [17:16C-62 et seq.] under any other name or maintain an office at any other location than that designated in the license.

(b) No home repair salesman shall transact any business subject to this act for any employer except that designated in the license.

(c) In case such location or employer be changed, the licensee shall inform the commissioner of such change within 10 days and the commissioner shall indorse the change of location or change of employer on the license without charge.

Adopted. L. 1960, c. 41, §20. **Amended.** L. 1968, c. 220, §11.

17:16C-82. License fees. (a) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.),

every home financing agency shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal place of business and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$600. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home financing agency shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$600.

(b) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home repair contractor shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal place of business and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$300. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home repair contractor shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$300.

(c) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home repair salesman shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation, not to exceed \$60. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home repair salesman shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$60.

Adopted. L. 1960, c. 41, §21. **Amended.** L. 1968, c. 220, §12; L. 1971, c. 57, §2; L. 1981, c. 321, §3; L. 2005, c. 199, §21, approved August 18, 2005, upon the adoption of regulations pursuant to sections 3 and 14 of this act, but no assessment shall be payable earlier than July 1, 2006. The commissioner may take those anticipatory actions necessary to effectuate the provisions of this act; L. 2007, c. 81, §21, effective July 1, 2006; except that provisions of this act which amend the term of a license shall remain inoperative until the Commissioner of Banking and Insurance adopts regulations establishing the new license terms authorized by this act. The Commissioner of Banking and Insurance may immediately undertake action to promulgate any regulation necessary to implement the provisions of this act.

17:16C-83. No abatement in amount of license fee. No abatement in the amount of the said license fee shall be made if the license is issued for less than 1 year, nor if the license is surrendered, canceled or revoked prior to the expiration of the period for which such license was issued. Every license shall expire on December 31 of each year.

Adopted. L. 1960, c. 41, §22.

17:16C-84. Suspend, revoke or refuse to renew license; notice; hearing.

The commissioner may suspend, revoke or refuse to renew any license issued hereunder, upon 10 days' notice in writing, forwarded by registered or certified mail to the principal place of business or residence of such licensee, stating the contemplated action and in general the grounds therefor, after reasonable opportunity to be heard, if he shall find that the licensee or any owner, director, officer, member, partner, employee or agent of such licensee has:

(a) Made any material misstatement in the application;

(b) Knowingly or without the exercise of due care failed to comply with or violated any provisions of this act [17:16C-62 et seq.];

(c) Defrauded any retail buyer or willfully failed to perform any written agreement with any owner;

(d) Willfully misrepresented or failed to disclose any of the material particulars or the nature thereof required to be stated or furnished to the owner under this act;

(e) Knowingly taken any instrument evidencing a home repair contract which was signed in blank; or

(f) Otherwise demonstrated lack of financial responsibility, unworthiness, bad faith or dishonesty.

Adopted. L. 1960, c. 41, §23.

17:16C-85. Investigations and examination of records; administer oaths.

The commissioner shall have power to make such investigations as he shall deem necessary, and may examine the books, accounts, records and files of any person who is a party to or holder of a home repair contract. The commissioner shall have power to administer oaths and affirmations to any person whose testimony is required.

Adopted. L. 1960, c. 41, §24.

17:16C-86. Power of subpoena; court order to compel attendance. The commissioner shall have the power to issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records and other evidence before him in any matter pertaining to this act [17:16C-62 et seq.].

In case of a failure of any person to comply with any subpoena issued by the commissioner or to testify to any matter concerning which he may be lawfully interrogated, the Superior Court, on application of the commissioner, may issue an order requiring the attendance of such person and the giving of testimony or production of evidence. Any person failing to obey the court's order may be punished as for contempt.

Adopted. L. 1960, c. 41, §25.

17:16C-87. Maintenance and preservation of books, accounts and records, annual report. a. Every home repair contractor, home financing agency and holder of a home repair contract shall maintain at its place or places of business such books, accounts and records relating to all transactions under this act [17:16C-62 et seq.] as will enable the commissioner to enforce full compliance with the provisions hereof. All such books, accounts and records shall be preserved and kept available for such period of time as the commissioner may by regulation require. The commissioner may prescribe the minimum information to be shown in such books, accounts and records of the licensee so that such records will enable the commissioner to determine compliance with the provisions of this act.

b. The commissioner may require a licensee to file an annual report containing that information required by the commissioner by regulation concerning business conducted as a licensee in the preceding calendar year. The report shall be submitted under oath and in the form and within the time specified by the commissioner by regulation.

c. A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

Adopted. L. 1960, c. 41, §26. **Amended.** L. 2005, c. 199, §22, approved August 18, 2005, upon the adoption of regulations pursuant to sections 3 and 14 of this act, but no assessment shall be payable earlier than July 1, 2006. The commissioner may take those anticipatory actions necessary to effectuate the provisions of this act; L. 2007, c. 81, §22, effective July 1, 2006; except that provisions of this act which amend the term of a license shall remain inoperative until the Commissioner of Banking and Insurance adopts regulations establishing the new license terms authorized by this act. The Commissioner of Banking and Insurance may immediately undertake action to promulgate any regulation necessary to implement the provisions of this act.

17:16C-88. Sale, transfer or assignment of obligation or evidence of indebtedness. (a) No holder shall sell, transfer or assign any obligation in connection with a home repair contract or any evidence of indebtedness thereunder to any person who is not authorized as a home financing agency, except that such obligation or evidence of indebtedness may be sold, transferred or assigned to a State or national bank outside of this State if the contract is retained by the holder and collection of payments thereon is made to the holder.

(b) No home financing agency shall knowingly purchase, buy, take by assignment, discount or otherwise accept any document, security, obligation or evidence of indebtedness executed in connection with a home repair contract from anyone except a home repair contractor licensed under this act [17:16C-62 et seq.] or a home financing agency.

Adopted. L. 1960, c. 41, §27. **Amended.** L. 1968, c. 220, §13.

17:16C-89. Violation; penalty; recovery of penalty. (a) Any home repair contractor, home financing agency or holder of a home repair contract and any officer, partner, member, employee, agent or representative of either who shall knowingly violate any provision of this act [17:16C-62 et seq.] or shall directly or indirectly counsel, aid or abet such violation shall be liable to a penalty of not more than \$2,500.00 for each offense. Such penalties shall be enforced by summary proceedings pursuant to the Penalty Enforcement Law (N.J.S. 2A:58-1 et seq.).

(b) Any person failing to comply with or violating section 16 of this act [17:16C-77] shall be guilty of a misdemeanor.

Adopted. L. 1960, c. 41, §28.

17:16C-90. Provisions severable. If any provision of this act [17:16C-62 et seq.] or the application thereof to any person or circumstances is held unconstitutional, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby.

Adopted. L. 1960, c. 41, §29.

17:16C-91 through 17:16C-92. Repealed.

Repealed. L. 1995, c. 2, §3, effective January 10, 1995.

17:16C-93. Short title. [“**Home Repair Financing Act**”] This act [17:16C-62 et seq.] shall be known and may be cited as the “Home Repair Financing Act.”

Adopted. L. 1960, c. 41, §32.

17:16C-94. Effective date. This act [17:16C-62 et seq.] shall take effect 90 days from the date of its approval and apply to contracts executed after the effective date of this act.

Adopted. L. 1960, c. 41, §33.