

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Jayne O'Connor
Laura Otterbourg
609-777-2600

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Governor Signs Legislation to Give More Defense to Seniors from Home Solicitation

Governor Christie Whitman today signed legislation that will prohibit home solicitation of senior citizens for certain home improvement loans in particular circumstances.

"Our state has one of the largest senior citizen populations in the nation - and it's growing. This legislation is a measure designed to protect our seniors by supplementing what's already mandated under the state's consumer fraud law in the area of home solicitation," said Gov. Whitman. "It builds on the current level of consumer protection, taking it to new heights."

"Throughout my tenure as governor, I have heard the concerns of our seniors and the message has been loud and clear about how they want to maintain their independence for as long as possible," said Gov. Whitman. "I believe this piece of legislation will provide more peace of mind for the eldest members of our New Jersey family who have chosen to remain in their homes. We owe them this added security against unscrupulous practices."

A-298, sponsored by Assembly Members Gill (D-Essex) and Caraballo (D-Essex) and Senators Bryant (D-Camden/Gloucester) and Littell (R-Sussex/Hunterdon/Morris), supplements the consumer fraud law by prohibiting home solicitation of a senior citizen who is 60 years old or more if - (1) the person's primary residence is used to secure a loan to pay for home improvements; and (2) if the transaction is part of a pattern or practice in violation of certain provisions of federal consumer credit laws. For instance, the applicable federal consumer credit laws prohibit a creditor from engaging in a pattern or practice of extending credit to a consumer under certain mortgages without regard to the consumer's ability to repay.

Under the new law, a violation of the bill is a violation of the consumer fraud law. As a result, a violator would be subject to a penalty of up to \$7,500 for a first violation and up to \$15,000 for a subsequent violation.