



Frequently Asked Questions - Debt Adjuster

Hot Topics

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- [Bulletin 08-13: Debt Adjusting Activities](#)
 - [Advisory Opinion: Lawyers Performing Loan or Mortgage Modification Services for Homeowners](#)

1. What activity constitutes acting as a debt adjuster, requiring licensure?

N.J.S.A. 17:16G-1c(1) provides that: "Debt Adjuster" means a person who either (a) acts or offers to act for a consideration as an intermediary between a debtor and his creditors for the purpose of settling, compounding, or otherwise altering the terms of payment of any debts of the debtor, or (b) who, to that end, receives money or other property from the debtor, or on behalf of the debtor, for payment to, or distribution among, the creditors of the debtor.

2. Can any person, corporation, or other business entity qualify to be licensed as a debt adjuster?

No, only a nonprofit corporation can be licensed as a debt adjuster.

3. If my organization is a HUD-certified Housing Counselor or a U.S. Bankruptcy Trustee-approved credit counselor, or is approved or certified by any other governmental agency or official, does it still require licensure to act as a debt adjuster for New Jersey clients?

Yes.

4. Are there any exemptions to the licensure requirement:

Yes. Pursuant to N.J.S.A. 17:16G-1c(2) the following persons shall not be deemed to be debt adjusters:

- an attorney-at-law of this State who is not principally engaged as a debt adjuster;
- a person who is a regular, full-time employee of a debtor, and who acts as an adjuster of his employer's debts;
- a person acting pursuant to any order or judgment of court, or pursuant to authority conferred by any law of this State or the United States;
- a person who is a creditor of the debtor, or an agent of one or more creditors of the debtor, and whose services in adjusting the debtor's debts are rendered without cost to the debtor; or
- a person who, at the request of a debtor, arranges for or makes a loan to the debtor, and who, at the authorization of the debtor, acts as an adjuster of the debtor's debts in the disbursement of the proceeds of the loan, without compensation for the services rendered in adjusting those debts.

5. How long does it take to process an application?

A properly completed application will generally be processed within 90 days of receipt of all required information.

6. What is required to obtain the license?

All information as to how to apply for a license is contained in the license application [instructions](#).

7. When does the license expire?

All licenses that are issued between July 1, 2007 and June 30, 2009 will expire on June 30, 2009. Licenses are due to be renewed for July 1, 2009. Renewed licenses will expire on June 30, 2011.

8. How can I read and/or get a copy of the statutes and rules governing this license?

The statute, N.J.S.A. 17:16G-1 et seq., is accessible on the internet at www.njleg.org and the rules, N.J.A.C. 3:25, may be accessed at www.lexisnexis.com/njoal.

9. Can I pay the application fee by credit card?

Currently, credit card payments are not permissible.

10. What if my application is withdrawn or denied?

All fees paid are non-refundable.

11. What is the procedure if I change my address?

Complete the change of address information on the reverse side of the current license and return to the Department within 10 days of the change.

12. What is the procedure if I change the business name or add an alternate name?

Complete the change of name information on the reverse side of the current license. Enclose a copy of the amended Certificate of Incorporation or, if a foreign corporation, a copy of the amended Certificate of Authority to do business in New Jersey. Send both license and corporate documents to the Department.

13. What must I do if my license is lost or destroyed?

Request, complete and submit a lost license affidavit to the Department.

14. When do I file the annual report?

All annual reports are due by April 1st. Annual Reports must be filed online as provided on the Department's website.

15. How do I renew my license?

Renewal instructions will be sent to you on or before April 1st of the year in which your license expires.

16. What must I do if I go out of business?

You are required to notify the Department and surrender the license to the Department. You will also be responsible for payment of a licensee assessment for the year of business termination.

17. Is the license transferrable?

No. A license may not be transferred from one entity to another.

18. How can I contact DOBI if I have a question that wasn't answered above?

You can put your question in writing and fax it to the Department at (609) 633-0822 or send it by e-mail to blic@dobi.state.nj.us.



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