

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED
BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066**

Informational Statement

LCB FILE NO. R119-19

The following statement is submitted for adopted amendments to Nevada Administrative Code (“NAC”) Chapters 645A, 645B, 645E and 645F.

1. A clear and concise explanation of the need for the adopted regulation.

To comply with the Division’s statutory duty to ensure the effectiveness of Chapter 645B of the Nevada Revised Statutes (“NRS”), to carry out the provisions of NRS 645B, and to conform with and implement revisions as necessitated by certain statutory changes made to NRS 645B, as well as NRS 622, resulting from passage of Assembly Bill 468, respectively, in the 79th Session (2017) of the Nevada Legislature. Under existing law, specifically at NRS 645B.060, the Commissioner of the Nevada Division of Mortgage Lending (“the Commissioner”) has the authority to regulate mortgage brokers and mortgage agents.

To comply with the Division’s statutory duty to ensure the effectiveness of Chapter 645E of the Nevada Revised Statutes (“NRS”), to carry out the provisions of NRS 645E, and to conform with and implement revisions as necessitated by certain statutory changes made to NRS 645E, as well as NRS 622, resulting from passage of Assembly Bill 468, respectively, in the 79th Session (2017) of the Nevada Legislature. Under existing law, specifically at NRS 645E.300, the Commissioner of the Nevada Division of Mortgage Lending (“the Commissioner”) has the authority to regulate mortgage bankers.

Assembly Bill 468 was approved on June 8, 2017. NRS 645B and NRS 645E have been in effect as of January 1, 2020. The adopted regulations (1) amend the terms mortgage broker and mortgage bankers and adds the new term “mortgage company”, (2) amend the term mortgage agent to the new term “mortgage loan originator”, (3) revises the provisions of existing law that applied primarily to the mortgage brokers to apply to mortgage companies instead, and (4) repeals as redundant provisions of law that applied to mortgage bankers. The existing regulations for NAC 645B change the terms mortgage broker and mortgage bankers to mortgage company or mortgage agent to mortgage loan originators. The existing regulations for NAC 645A change the term mortgage broker to mortgage company or mortgage agent to mortgage loan originators. The existing regulations for NAC 645F change the terms mortgage broker and mortgage banker to mortgage company or mortgage agent to mortgage loan originators. Repealing the existing regulations of NAC 645B.045, NAC 645B.0665 and NAC 645E as redundant along with.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Copies of the text of the proposed regulation, notice of workshop (as combined with the workshop noticed for NRS 645B and NRS 645E (governing mortgage brokers, mortgage agents and mortgage bankers as subject of LCB File No. R119-19), small business impact statement, and notice of intent to act upon the regulation were e-mailed to Division licensees and other interested parties on the Division's mailing list as well as any persons who had specifically requested such notice. These documents were also made available at the Division of Mortgage Lending's Website at <http://www.mld.nv.gov> and the Nevada Public Notice Website at <http://notice.nv.gov>. Further, in addition to the Nevada Legislature's website at <https://www.leg.state.nv.us/App/Notice/A/>, such documents were posted at prominent Nevada offices which included the Nevada State Business Center in Las Vegas, the Division's office in Las Vegas, the Office of the Department of Business and Industry in Carson City, and the Nevada State Library and Archives in Carson City.

On November 14, 2022, in anticipation of the Division's workshop to be held in this matter, the Division e-mailed approximately 1,228 of its licensees under NRS 645B and NRS 645E as well as other interested parties concerning the proposed regulation amendments, in which it solicited comments concerning whether these would impose a direct and significant economic burden upon a small business, or directly restrict the formation operation, or expansion of a small business. Further, in addition, to solicitation of such comments through its website, the Division reached out to a variety of stakeholders, including the Nevada Mortgage Lenders Association and the Advisory Council on Mortgage Investments and Mortgage Lending.

In response to these solicitations of input, the Division received no comments.

As reflected in the Division's issued and publicly noticed workshops scheduled for December 6, 2022 (to be held in the identified Las Vegas, Nevada, location, video-conferenced to the identified Carson City, Nevada location and via WebEx), the Division subsequently solicited additional receipt of written comments, testimony, or documentary evidence, and advised that oral comments on the proposed regulations may be made at the meeting. No public response was received.

The duly-noticed workshop was held on December 6, 2022, in Las Vegas, video-conferenced to Carson City and via WebEx. Minutes of the workshop is attached hereto as "Exhibit A." In conformance with its noticed public workshop and agenda, the Commissioner conducted a 9:15 a.m. proceeding on this date to describe an introduction of the regulatory amendments to both NRS 645B and NRS 645E. None of the attendees at these proceedings provided any written or verbal comments.

Thereafter, on December 12, 2022, with respect to NRS 645B and NRS 645E, the Commissioner issued and posted a Notice of Intent to Act Upon a Regulation, Notice of Hearing for the Adoption and Amendment of Regulations of the Division based upon the LCB Draft of Proposed Regulation R119-19, dated July 11, 2022, as stated above, again soliciting comments. No public response

was received. The adoption hearing was scheduled for January 18, 2023 (to be held in the identified Las Vegas, Nevada, location, video-conferenced to the identified Carson City, Nevada location and via WebEx).

As duly-noticed, the public hearing for adoption of the proposed regulation was not held on January 18, 2023, in Las Vegas, video-conferenced to Carson City and via WebEx. The public hearing was postponed due to the Governor’s Executive Order 2023-003 which froze the issuance of new regulations. On June 30, 2023, the Governor lifted the freeze on the regulatory process by his Executive Order 2023-008. On July 6, 2023, the Commissioner issued and posted a Notice of Intent to Act Upon a Regulation, Notice of Hearing for the Adoption and Amendment of Regulations of the Division based upon the LCB Draft of Proposed Regulation R119-19, dated July 11, 2022, as stated above, again soliciting comments. No public response was received.

The duly-noticed adoption hearing was held on September 11, 2023, in Las Vegas, video-conferenced to Carson City and via WebEx. Minutes of the adoption hearing is attached hereto as “Exhibit B.” In conformance with its noticed public workshop and agenda, the Commissioner conducted at 10:08 a.m. proceeding on this date to describe an introduction of the regulatory amendments to both NRS 645B and NRS 645E. None of the attendees at these proceedings provided any written or verbal comments.

3. The number of persons from the public who:

	<u>Carson City</u>	<u>Las Vegas</u>	<u>WebEx</u>
Attended December 6, 2022, workshop—			
9:00 a.m. proceeding:	0	0	3
Testified at the December 6, 2022, workshop:	0	0	0
Attended September 11, 2023, adoption hearing:	0	0	3
Testified at the September 11, 2023, adoption hearing:	0	0	0

Submitted written comments: No emails were received.

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented (if provided to the agency), for each person who testified at each hearing and submitted to the agency written statements.

No member of the public who appeared at the workshops and/or adoption hearing, at either the noticed Las Vegas or Carson City locations nor on WebEx for such, either testified or submitted written statements to the Division.

Testified at workshop: 0 Testified at adoption hearing: 0

- 5. A description of how comments were solicited from affected businesses, a summary of their response, and an explanation of how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public as provided in response to Item #2, above. No public response was received.

- 6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

At the conclusion of the noticed public hearing on September 11, 2023, the *LCB Draft of Proposed Regulation R119-19*, dated July 11, 2022, was adopted.

- 7. The estimated economic effect of the adopted regulation on the businesses which it is to regulation and on the public. These must be stated separately, and each case must include:**
 - a. Both adverse and beneficial effects; and**
 - b. Both immediate and long-term effects.**

(a) Both adverse and beneficial effects.

The Division does not foresee any major adverse effects of the adopted regulation to either the business of a mortgage broker, mortgage agent, mortgage banker or to the public.

The Division anticipates that the beneficial effects of the adopted regulation may result in cost savings as provided in the adopted regulation without unnecessarily burdening business activity.

(b) Both immediate and long-term effects.

The Division anticipates that both the immediate and long-term beneficial effects of the adopted regulation will protect the health and welfare of Nevadans without unnecessarily burdening business activity.

- 8. The estimated cost to the agency for enforcement of the adopted regulation.**

The Division does not anticipate incurring additional costs for the implementation and enforcement of the proposed regulation. The agency will receive less fees by adopting these new regulations.

- 9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

There are no other state or government agencies regulations known by the Division that the adopted regulation overlaps or duplicates.

- 10. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

The adopted regulation does not include provisions which are known to be more stringent than a federal regulation which regulates the same activity.

- 11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed regulations do not otherwise provide a new fee, and do not provide for any increase to an existing fee.