

ASSEMBLY BILL NO. 468—ASSEMBLYWOMAN JAUREGUI

MARCH 27, 2017

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to mortgage brokers, mortgage agents and mortgage bankers. (BDR 54-1028)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to mortgage lending; revising provisions which apply to mortgage brokers to also apply to mortgage bankers; revising the terms which identify mortgage brokers, mortgage agents and mortgage bankers; revising provisions governing bonds required for mortgage brokers and mortgage bankers; revising certain exemptions from licensing requirements for mortgage brokers and mortgage bankers; repealing provisions relating to mortgage bankers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law prohibits a person from offering or providing any of the services
2 of a mortgage broker or mortgage banker unless the person first obtains a license as
3 a mortgage broker or mortgage banker, as applicable, or is exempt from licensing.
4 (NRS 645B.900, 645E.900) This bill repeals the provisions of law that regulate
5 mortgage bankers and revises the provisions of law that currently regulate mortgage
6 brokers to apply to both mortgage brokers and mortgage bankers, both of which are
7 now included in the term “mortgage company.” Specifically, **section 6** of this bill
8 defines “mortgage company” to include all persons who previously were mortgage
9 brokers or mortgage bankers. Additionally, the term “mortgage agent” is changed to
10 “mortgage loan originator.” **Section 11** of this bill revises provisions relating to
11 licensing as a mortgage broker to apply to licensing as a mortgage company.
12 **Sections 15.5 and 16** of this bill revise the requirements for the form of certain
13 bonds required for mortgage brokers and mortgage bankers. **Section 88.5** of this
14 bill revises the provisions governing exemptions for certain entities from the
15 requirements for licensure as a mortgage broker or mortgage banker. **Section 110**
16 of this bill deems any person who holds a license as a mortgage broker or mortgage
17 banker on January 1, 2020, to hold a license as a mortgage company. **Section 112**



18 of this bill repeals the provisions of existing law which apply to mortgage bankers
19 as such provisions are made redundant by the provisions of this bill.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 645A.173 is hereby amended to read as
2 follows:

3 645A.173 1. If an escrow for the sale of real property is
4 established, the holder of the escrow shall, on the date of
5 establishment of the escrow, record in writing the number and the
6 date of expiration of the:

- 7 (a) License issued pursuant to chapter 645 of NRS; or
8 (b) Certificate of cooperation issued pursuant to NRS 645.605,
9 ↳ of any real estate broker, broker-salesperson or salesperson who
10 will be paid compensation from money held in the escrow for
11 performing the services of a real estate broker, broker-salesperson or
12 salesperson in the transaction that is the subject of the escrow. The
13 holder of the escrow is not required to verify independently the
14 validity of the number of the license or certificate.

15 2. If an escrow for the sale of real property is established and
16 the real property is or will be secured by a mortgage or deed of trust,
17 the holder of the escrow shall, on the date of establishment of the
18 escrow, record in writing the number and the date of expiration of
19 the license issued pursuant to chapter 645B ~~for 645E~~ of NRS of any
20 mortgage ~~broker or mortgage banker~~ **company** associated with the
21 mortgage or deed of trust. The holder of the escrow is not required to
22 verify independently the validity of the number of the license.

23 **Sec. 2.** NRS 645A.215 is hereby amended to read as follows:

24 645A.215 1. Except as otherwise provided in subsection 2, a
25 licensee may not conduct the business of administering escrows for
26 compensation within any office, suite, room or place of business in
27 which any other business is solicited or engaged in, except a notary
28 public, or in association or conjunction with any other business,
29 unless authority to do so is given by the Commissioner.

30 2. A licensee may conduct the business of administering
31 escrows pursuant to this chapter in the same office or place of
32 business as a mortgage ~~banker~~ **company** if:

- 33 (a) The licensee and the mortgage ~~banker~~ **company**:
34 (1) Operate as separate legal entities;
35 (2) Maintain separate accounts, books and records;
36 (3) Are subsidiaries of the same parent corporation; and
37 (4) Maintain separate licenses; and
38 (b) The mortgage ~~banker~~ **company** is licensed by this state
39 pursuant to chapter ~~645E~~ **645B** of NRS . ~~and does not conduct~~



~~any business as a mortgage broker licensed pursuant to chapter 645B of NRS in the office or place of business.~~

Sec. 2.1. Chapter 645B of NRS is hereby amended by adding thereto the provisions set forth as sections 2.2 to 2.5, inclusive, of this act.

Sec. 2.2. *“Applicant” means a person who applies for licensure as a mortgage company pursuant to this chapter.*

Sec. 2.3. *“Commercial mortgage loan” means a loan that:*

1. Directly or indirectly, is secured by a lien on commercial property; and

2. Is created with the consent of the owner of the commercial property.

Sec. 2.4. *“Commercial property” means any real property which is located in this State and which is neither used as a dwelling nor upon which a dwelling is constructed or intended to be constructed. For the purposes of this section, “dwelling” has the meaning ascribed to it in section 103(v) of the federal Truth in Lending Act, 15 U.S.C. § 1602(w).*

Sec. 2.5. *“Institutional investor” means a person who, in the regular course of business, makes commercial mortgage loans of more than \$250,000 that are funded exclusively from one or more of the following sources:*

1. The person’s cash, corporate capital or warehouse credit lines at a depository financial institution or other sources that are liability items on the person’s financial statements.

2. Correspondent contracts between the person and another institutional investor or between the person and a depository financial institution, trust company, profit-sharing or pension trust, installment lender or insurance company.

3. An affiliate’s cash, corporate capital or warehouse credit lines at a depository financial institution or other sources that are liability items on the affiliate’s financial statements for which the affiliate’s assets are pledged. As used in this subsection, “affiliate” means another person who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the person who is the institutional investor.

Sec. 2.7. NRS 645B.010 is hereby amended to read as follows:

645B.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 645B.0104 to 645B.01356, inclusive, *and sections 2.2 to 2.5, inclusive, of this act* have the meanings ascribed to them in those sections.

Sec. 3. NRS 645B.0119 is hereby amended to read as follows:

645B.0119 “Financial services license or registration” means any license or registration issued in this State or any other state, district or territory of the United States that authorizes the person



1 who holds the license or registration to engage in any business or
2 activity described in the provisions of this chapter, title 55 or 56 of
3 NRS or chapter 604A, 645, 645A, 645C, ~~645E,~~ 645G or 649 of
4 NRS.

5 **Sec. 4.** NRS 645B.0123 is hereby amended to read as follows:

6 645B.0123 "Licensee" means a person who is licensed or
7 required to be licensed as a mortgage ~~broker~~ *company* pursuant to
8 this chapter. The term does not include a person issued a license as a
9 mortgage ~~agent~~ *loan originator* pursuant to NRS 645B.410 who is
10 acting properly within the scope of that license.

11 **Sec. 5.** NRS 645B.0125 is hereby amended to read as follows:

12 645B.0125 1. "Mortgage ~~agent~~" *loan originator*" means:

13 (a) A natural person who:

14 (1) Is an employee of a mortgage ~~broker or mortgage~~
15 ~~banker~~ *company* who is required to be licensed pursuant to this
16 chapter ; ~~for chapter 645E of NRS;~~ and

17 (2) Is authorized by the mortgage ~~broker or mortgage~~
18 ~~banker~~ *company* to engage in, on behalf of the mortgage ~~broker or~~
19 ~~mortgage banker,~~ *company*, any activity that would require the
20 person, if the person were not an employee of the mortgage ~~broker~~
21 ~~or mortgage banker,~~ *company*, to be licensed as a mortgage ~~broker~~
22 ~~or mortgage banker~~ *company* pursuant to this chapter ; ~~for chapter~~
23 ~~645E of NRS;~~

24 (b) A mortgage ~~broker,~~ *company* or qualified employee ~~for~~
25 ~~mortgage banker~~ who is required by NRS 645B.405 ~~for 645E.290~~
26 to be licensed as a mortgage ~~agent,~~ *loan originator*; or

27 (c) A loan processor who is an independent contractor and who
28 is associated with a mortgage ~~broker, mortgage banker~~ *company*
29 or person who holds a certificate of exemption pursuant to
30 NRS 645B.016.

31 2. The term includes, but is not limited to, a residential
32 mortgage loan originator.

33 3. The term does not include a person who:

34 (a) Except as otherwise provided in paragraph (b) of subsection
35 1, is licensed as a mortgage ~~broker or mortgage banker,~~ *company*;

36 (b) Is an owner, general partner, officer or director of a
37 mortgage ~~broker or mortgage banker~~ *company* who does not
38 engage in any activity that would otherwise require a license as a
39 mortgage ~~broker or mortgage banker,~~ *company*;

40 (c) Except as otherwise provided in paragraph (c) of subsection
41 1, performs only clerical or ministerial tasks for a mortgage ~~broker~~
42 ~~or mortgage banker,~~ *company*; or

43 (d) Collects payments and performs related services, including,
44 without limitation, the modification of an existing loan, in
45 connection with a loan secured by a lien on real property and who



1 does not undertake any other activity that would otherwise require a
2 license pursuant to this chapter or chapter ~~645E or~~ 645F of NRS.

3 **Sec. 6.** NRS 645B.0127 is hereby amended to read as follows:

4 645B.0127 1. "Mortgage ~~broker~~ *company*" means a
5 person who, directly or indirectly:

6 (a) Holds himself or herself out for hire to serve as an agent for
7 any person in an attempt to obtain a loan which will be secured by a
8 lien on real property;

9 (b) Holds himself or herself out for hire to serve as an agent for
10 any person who has money to lend, if the loan is or will be secured
11 by a lien on real property;

12 (c) Holds himself or herself out as being able to make loans
13 secured by liens on real property;

14 (d) Holds himself or herself out as being able to buy or sell
15 notes secured by liens on real property; or

16 (e) Offers for sale in this State any security which is exempt
17 from registration under state or federal law and purports to make
18 investments in promissory notes secured by liens on real property.

19 2. The term includes a wholesale lender.

20 ~~3. The term does not include a person who is licensed as a~~
21 ~~mortgage banker, as defined in NRS 645E.100, unless the person is~~
22 ~~also licensed as a mortgage broker pursuant to this chapter.~~

23 **Sec. 7.** NRS 645B.0137 is hereby amended to read as follows:

24 645B.0137 1. In addition to any other requirements provided
25 by this chapter, a person who wishes to receive an initial license as a
26 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*
27 must:

28 (a) Complete education on mortgage lending as required by this
29 chapter and any regulations adopted thereto; and

30 (b) Successfully pass a written examination as provided for by
31 the Division.

32 2. If the applicant for an initial license as a mortgage ~~broker~~
33 *company* is not a natural person, the applicant must designate a
34 natural person to be the qualified employee of the applicant and
35 meet the requirements of subsection 1.

36 3. The Division may hire a testing organization to create,
37 administer and score a written examination.

38 4. The Commissioner shall adopt regulations to carry out the
39 provisions of this section, including, without limitation:

40 (a) Regulations relating to the content of a written examination
41 and the scoring of a written examination; and

42 (b) Regulations for compliance with the requirements for
43 registration with the Registry and any other applicable federal law.



1 **Sec. 8.** NRS 645B.0138 is hereby amended to read as follows:

2 645B.0138 1. A course of continuing education that is
3 required pursuant to this chapter must meet the requirements set
4 forth by the Commissioner by regulation.

5 2. The Commissioner shall adopt regulations:

6 (a) Relating to the requirements for courses of continuing
7 education, including, without limitation, regulations relating to the
8 providers and instructors of such courses, records kept for such
9 courses, approval and revocation of approval of such courses,
10 monitoring of such courses and disciplinary action taken regarding
11 such courses.

12 (b) Allowing for the participation of representatives of the
13 mortgage lending industry pertaining to the creation of regulations
14 regarding such courses.

15 (c) Ensuring compliance with the requirements for registration
16 with the Registry and any other applicable federal law.

17 3. The regulations adopted by the Commissioner pursuant to
18 subsection 2 must not require a mortgage ~~{agent;}~~ *loan originator* or
19 mortgage ~~{banker or mortgage broker}~~ *company* or an employee of
20 a mortgage ~~{banker or mortgage broker}~~ *company* who, pursuant to
21 subsection 1 of NRS 645F.267, is not required to register or renew
22 with the Registry and who has not voluntarily registered or renewed
23 with the Registry to complete any continuing education relating to
24 residential mortgage loans.

25 **Sec. 9.** NRS 645B.0145 is hereby amended to read as follows:

26 645B.0145 The provisions of this chapter do not:

27 1. Limit any statutory or common-law right of a person to
28 bring a civil action against a mortgage ~~{broker}~~ *company* or
29 mortgage ~~{agent}~~ *loan originator* for any act or omission involved
30 in the transaction of business by or on behalf of the mortgage
31 ~~{broker}~~ *company* or mortgage ~~{agent;}~~ *loan originator;*

32 2. Limit the right of the State to punish a person for the
33 violation of any law, ordinance or regulation; or

34 3. Establish a basis for a person to bring a civil action against
35 the State or its officers or employees for any act or omission in
36 carrying out the provisions of this chapter, including, without
37 limitation, any act or omission relating to the disclosure of
38 information or the failure to disclose information pursuant to the
39 provisions of this chapter.

40 **Sec. 10.** NRS 645B.016 is hereby amended to read as follows:

41 645B.016 Except as otherwise provided in subsection 2 and
42 NRS 645B.690:

43 1. A person who claims an exemption from the provisions of
44 this chapter pursuant to subsection 1 of NRS 645B.015 must:



- 1 (a) File a written application for a certificate of exemption with
2 the Office of the Commissioner;
- 3 (b) Pay the fee required pursuant to NRS 645B.017;
- 4 (c) Include with the written application satisfactory proof that
5 the person meets the requirements of subsection 1 of NRS
6 645B.015; and
- 7 (d) Provide evidence to the Commissioner that the person is
8 duly licensed to conduct his or her business, including, if applicable,
9 the right to transact mortgage loans, and such license is in good
10 standing pursuant to the laws of this State, any other state or the
11 United States.
- 12 2. The provisions of subsection 1 do not apply to the extent
13 preempted by federal law.
- 14 3. The Commissioner may require a person who claims an
15 exemption from the provisions of this chapter pursuant to
16 subsections 2 to 12, inclusive, of NRS 645B.015 to:
 - 17 (a) File a written application for a certificate of exemption with
18 the Office of the Commissioner;
 - 19 (b) Pay the fee required pursuant to NRS 645B.017; and
 - 20 (c) Include with the written application satisfactory proof that
21 the person meets the requirements of at least one of those
22 exemptions.
- 23 4. A certificate of exemption expires automatically if, at any
24 time, the person who claims the exemption no longer meets the
25 requirements of at least one exemption set forth in the provisions of
26 NRS 645B.015.
- 27 5. If a certificate of exemption expires automatically pursuant
28 to this section, the person shall not provide any of the services of a
29 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* or
30 otherwise engage in, carry on or hold himself or herself out as
31 engaging in or carrying on the business of a mortgage ~~broker~~
32 *company* or mortgage ~~agent~~ *loan originator* unless the person
33 applies for and is issued:
 - 34 (a) A license as a mortgage ~~broker~~ *company* or mortgage
35 ~~agent~~ *loan originator*, as applicable, pursuant to this chapter; or
 - 36 (b) Another certificate of exemption.
- 37 6. The Commissioner may impose upon a person who is
38 required to apply for a certificate of exemption or who holds a
39 certificate of exemption an administrative fine of not more than
40 \$10,000 for each violation that the person commits, if the person:
 - 41 (a) Has knowingly made or caused to be made to the
42 Commissioner any false representation of material fact;
 - 43 (b) Has suppressed or withheld from the Commissioner any
44 information which the person possesses and which, if submitted by



1 the person, would have rendered the person ineligible to hold a
2 certificate of exemption; or

3 (c) Has violated any provision of this chapter, a regulation
4 adopted pursuant to this chapter or an order of the Commissioner
5 that applies to a person who is required to apply for a certificate of
6 exemption or who holds a certificate of exemption.

7 7. A person who is exempt from the requirements of this
8 chapter may file a written application for a certificate of exemption
9 with the Office of the Commissioner for the purposes of complying
10 with the requirements of the Registry or enabling a mortgage ~~agent~~
11 *loan originator* to comply with the requirements of the Registry.

12 8. The Commissioner may require an applicant or person
13 described in subsection 7 to submit the information or pay the fee
14 directly to the Division or, if the applicant or person is required to
15 register or voluntarily registers with the Registry, to the Division
16 through the Registry.

17 9. An application filed pursuant to subsection 7 does not affect
18 the applicability of this chapter to such an applicant or person.

19 **Sec. 11.** NRS 645B.020 is hereby amended to read as follows:

20 645B.020 1. A person who wishes to be licensed as a
21 mortgage ~~broker~~ *company* must file a written application for a
22 license with the Office of the Commissioner and pay the fee
23 required pursuant to NRS 645B.050. The Commissioner may
24 require the applicant or person to submit the information or pay the
25 fee directly to the Division or, if the applicant or person is required
26 to register or voluntarily registers with the Registry, to the Division
27 through the Registry. An application for a license as a mortgage
28 ~~broker~~ *company* must:

29 (a) State the name, residence address and business address of the
30 applicant and, if the applicant is a mortgage ~~broker~~ *company* other
31 than a wholesale lender, the location of each principal office and
32 branch office at which the mortgage ~~broker~~ *company* will conduct
33 business within this State.

34 (b) State the location of any principal office, office or other
35 place of business located outside this State from which the mortgage
36 ~~broker~~ *company* will conduct business in this State and any office
37 or other place of business which the applicant maintains as a
38 corporate or home office.

39 (c) State the name under which the applicant will conduct
40 business as a mortgage ~~broker~~ *company*.

41 (d) List the name, residence address and business address of
42 each person who will:

43 (1) If the applicant is not a natural person, have an interest in
44 the mortgage ~~broker~~ *company* as a principal, partner, officer,



1 director or trustee, specifying the capacity and title of each such
2 person.

3 (2) Be associated with or employed by the mortgage ~~broker~~
4 *company* as a mortgage ~~agent~~ *loan originator*.

5 (e) Include a general business plan and a description of the
6 policies and procedures that the mortgage ~~broker~~ *company* and his
7 or her mortgage ~~agents~~ *loan originators* will follow to arrange and
8 service loans and to conduct business pursuant to this chapter.

9 (f) State the length of time the applicant has been engaged in the
10 business of a mortgage ~~broker~~ *company*.

11 (g) Include a financial statement of the applicant and, if
12 applicable, satisfactory proof that the applicant will be able to
13 maintain continuously the net worth required pursuant to
14 NRS 645B.115.

15 (h) Include all information required to complete the application.

16 (i) Unless fingerprints were submitted to the Registry for the
17 person, include a complete set of fingerprints for each natural person
18 who is a principal, partner, officer, director or trustee of the
19 applicant which the Division may forward to the Central Repository
20 for Nevada Records of Criminal History for submission to the
21 Federal Bureau of Investigation for its report.

22 (j) Include any other information required pursuant to the
23 regulations adopted by the Commissioner or an order of the
24 Commissioner.

25 2. If a mortgage ~~broker~~ *company* will conduct business in
26 this State at one or more branch offices, the mortgage ~~broker~~
27 *company* must apply for a license for each such branch office.

28 3. Except as otherwise provided by law, the Commissioner
29 shall issue a license to an applicant as a mortgage ~~broker~~ *company*
30 if:

31 (a) The application is verified by the Commissioner and
32 complies with the requirements of this chapter; and

33 (b) The applicant and each general partner, officer or director of
34 the applicant, if the applicant is a partnership, corporation or
35 unincorporated association:

36 (1) Has demonstrated financial responsibility, character and
37 general fitness so as to command the confidence of the community
38 and warrant a determination that the applicant will operate honestly,
39 fairly and efficiently for the purposes of this chapter.

40 (2) Has not been convicted of, or entered or agreed to enter a
41 plea of guilty or nolo contendere to, a felony in a domestic, foreign
42 or military court within the 7 years immediately preceding the date
43 of the application, or at any time if such felony involved an act of
44 fraud, dishonesty or a breach of trust, moral turpitude or money
45 laundering.



1 (3) Has not made a false statement of material fact on the
2 application.

3 (4) Has never had a license or registration as a mortgage
4 agent, mortgage banker, mortgage broker, *mortgage company,*
5 *mortgage loan originator* or residential mortgage loan originator
6 revoked in this State or any other jurisdiction or had a financial
7 services license revoked within the immediately preceding 10 years.

8 (5) Has not violated any provision of this chapter, ~~for~~
9 ~~chapter 645E of NRS,~~ a regulation adopted pursuant thereto or an
10 order of the Commissioner.

11 4. A person may apply for a license for an office or other place
12 of business located outside this State from which the applicant will
13 conduct business in this State if the applicant has a license issued
14 pursuant to this chapter for an office or other place of business
15 located in this State or if the applicant will conduct business in this
16 State only as a wholesale lender, and the applicant submits with the
17 application for a license a statement signed by the applicant which
18 states that the applicant agrees to:

19 (a) Make available electronically or at a location within this
20 State the books, accounts, papers, records and files of the office or
21 place of business located outside this State to the Commissioner or a
22 representative of the Commissioner; or

23 (b) Pay the reasonable expenses for travel, meals and lodging of
24 the Commissioner or a representative of the Commissioner incurred
25 during any investigation or examination made at the office or place
26 of business located outside this State.

27 ➤ The applicant must be allowed to choose between paragraph (a)
28 or (b) in complying with the provisions of this subsection.

29 **Sec. 12.** NRS 645B.021 is hereby amended to read as follows:

30 645B.021 1. If a mortgage ~~broker~~ *company* is not a natural
31 person, the mortgage ~~broker~~ *company* must designate a natural
32 person as a qualified employee to act on behalf of the mortgage
33 ~~broker~~ *company*.

34 2. The Division shall adopt regulations regarding a qualified
35 employee, including, without limitation, regulations that establish:

36 (a) A definition for the term "qualified employee";

37 (b) Any duties of a qualified employee; and

38 (c) Any requirements regarding a qualified employee.

39 **Sec. 13.** NRS 645B.023 is hereby amended to read as follows:

40 645B.023 1. In addition to any other requirements set forth in
41 this chapter:

42 (a) A natural person who applies for the issuance of a license as
43 a mortgage ~~broker~~ *company* shall include the social security
44 number of the applicant in the application submitted to the
45 Commissioner.



1 (b) A natural person who applies for the issuance or renewal of a
2 license as a mortgage ~~broker~~ *company* shall submit to the
3 Commissioner the statement prescribed by the Division of Welfare
4 and Supportive Services of the Department of Health and Human
5 Services pursuant to NRS 425.520. The statement must be
6 completed and signed by the applicant.

7 2. The Commissioner shall include the statement required
8 pursuant to subsection 1 in:

9 (a) The application or any other forms that must be submitted
10 for the issuance or renewal of the license; or

11 (b) A separate form prescribed by the Commissioner.

12 3. A license as a mortgage ~~broker~~ *company* may not be
13 issued or renewed by the Commissioner if the applicant is a natural
14 person who:

15 (a) Fails to submit the statement required pursuant to subsection
16 1; or

17 (b) Indicates on the statement submitted pursuant to subsection
18 1 that the applicant is subject to a court order for the support of a
19 child and is not in compliance with the order or a plan approved by
20 the district attorney or other public agency enforcing the order for
21 the repayment of the amount owed pursuant to the order.

22 4. If an applicant indicates on the statement submitted pursuant
23 to subsection 1 that the applicant is subject to a court order for the
24 support of a child and is not in compliance with the order or a plan
25 approved by the district attorney or other public agency enforcing
26 the order for the repayment of the amount owed pursuant to the
27 order, the Commissioner shall advise the applicant to contact the
28 district attorney or other public agency enforcing the order to
29 determine the actions that the applicant may take to satisfy the
30 arrearage.

31 **Sec. 14.** NRS 645B.0243 is hereby amended to read as
32 follows:

33 645B.0243 The Commissioner may refuse to issue a license to
34 an applicant if the Commissioner has reasonable cause to believe
35 that the applicant or any general partner, officer or director of the
36 applicant has, after October 1, 1999, employed or proposed to
37 employ a person as a mortgage ~~agent~~ *loan originator* or
38 authorized or proposed to authorize a person to be associated with a
39 mortgage ~~broker~~ *company* as a mortgage ~~agent~~ *loan originator*
40 at a time when the applicant or the general partner, officer or
41 director knew or, in light of all the surrounding facts and
42 circumstances, reasonably should have known that the person has
43 committed any act or omission that would be cause for refusing to
44 issue a license to a mortgage ~~agent~~ *loan originator*.



1 **Sec. 15.** NRS 645B.025 is hereby amended to read as follows:
2 645B.025 1. A mortgage ~~broker~~ *company* shall post each
3 license in a conspicuous place in the office to which it pertains.

4 2. A mortgage ~~broker~~ *company* may not transfer or assign a
5 license to another person, unless the Commissioner gives written
6 approval.

7 **Sec. 15.5.** NRS 645B.042 is hereby amended to read as
8 follows:

9 645B.042 1. As a condition to doing business in this State,
10 each mortgage broker shall deposit with the Commissioner and keep
11 in full force and effect a corporate surety bond payable to the State
12 of Nevada, in the amount set forth in subsection 4, which is
13 executed by a corporate surety satisfactory to the Commissioner and
14 which names as principals the mortgage broker and all mortgage
15 agents employed by or associated with the mortgage broker.

16 2. At the time of filing an application for a license as a
17 mortgage agent and at the time of filing an application for the
18 renewal of a license as a mortgage agent, the applicant shall file
19 with the Commissioner proof that the applicant is named as a
20 principal on the corporate surety bond deposited with the
21 Commissioner by the mortgage broker with whom the applicant is
22 associated or employed.

23 3. The bond must be in ~~substantially the following form:~~

24
25 ~~— Know All Persons by These Presents, that, as~~
26 ~~principal, and, as surety, are held and firmly~~
27 ~~bound unto the State of Nevada for the use and benefit of any~~
28 ~~person who suffers damages because of a violation of any of~~
29 ~~the provisions of chapter 645B of NRS, in the sum of~~
30 ~~....., lawful money of the United States, to be paid to~~
31 ~~the State of Nevada for such use and benefit, for which~~
32 ~~payment well and truly to be made, and that we bind~~
33 ~~ourselves, our heirs, executors, administrators, successors and~~
34 ~~assigns, jointly and severally, firmly by these presents.~~

35 ~~— The condition of that obligation is such that: Whereas, the~~
36 ~~principal has been issued a license as a mortgage broker or~~
37 ~~mortgage agent by the Commissioner of Mortgage Lending~~
38 ~~and is required to furnish a bond, which is conditioned as set~~
39 ~~forth in this bond:~~

40 ~~— Now, therefore, if the principal, his or her agents and~~
41 ~~employees, strictly, honestly and faithfully comply with the~~
42 ~~provisions of chapter 645B of NRS, and pay all damages~~
43 ~~suffered by any person because of a violation of any of the~~
44 ~~provisions of chapter 645B of NRS, or by reason of any~~
45 ~~fraud, dishonesty, misrepresentation or concealment of~~



~~material facts growing out of any transaction governed by the provisions of chapter 645B of NRS, then this obligation is void; otherwise it remains in full force.~~

~~— This bond becomes effective on the (day) of (month) of (year), and remains in force until the surety is released from liability by the Commissioner of Mortgage Lending or until this bond is cancelled by the surety. The surety may cancel this bond and be relieved of further liability hereunder by giving 60 days' written notice to the principal and to the Commissioner of Mortgage Lending.~~

~~— In Witness Whereof, the seal and signature of the principal hereto is affixed, and the corporate seal and the name of the surety hereto is affixed and attested by its authorized officers at, Nevada, this (day) of (month) of (year).~~

.....(Seal)

Principal

.....(Seal)

Surety

By.....

Attorney in fact

.....
Nevada Licensed Insurance Agent]

a form prescribed by the Commissioner.

4. Each mortgage broker shall deposit a corporate surety bond that complies with the provisions of this section in the following amounts:

(a) For an annual loan production of \$20,000,000 or less, \$50,000.

(b) For an annual loan production of more than \$20,000,000, \$75,000.

5. Except as otherwise required by federal law or regulation, for the purposes of subsection 4, the Commissioner shall determine the appropriate amount of the surety bond that must be deposited initially by a mortgage broker based upon the expected annual loan production amount and shall determine the appropriate amount of the surety bond annually based upon the actual annual loan production.

Sec. 16. NRS 645B.042 is hereby amended to read as follows:

645B.042 1. As a condition to doing business in this State, each mortgage ~~broker~~ *company* shall deposit with the Commissioner and keep in full force and effect a corporate surety bond payable to the State of Nevada, in the amount set forth in subsection 4, which is executed by a corporate surety satisfactory to



1 the Commissioner and which names as principals the mortgage
2 ~~broker~~ company and all mortgage ~~agents~~ loan originators
3 employed by or associated with the mortgage ~~broker~~ company.

4 2. At the time of filing an application for a license as a
5 mortgage ~~agent~~ loan originator and at the time of filing an
6 application for the renewal of a license as a mortgage ~~agent~~, loan
7 originator, the applicant shall file with the Commissioner proof that
8 the applicant is named as a principal on the corporate surety bond
9 deposited with the Commissioner by the mortgage ~~broker~~
10 company with whom the applicant is associated or employed.

11 3. The bond must be in a form prescribed by the
12 Commissioner.

13 4. Each mortgage ~~broker~~ company shall deposit a corporate
14 surety bond that complies with the provisions of this section in the
15 following amounts:

16 (a) For an annual loan production of \$20,000,000 or less,
17 \$50,000.

18 (b) For an annual loan production of more than \$20,000,000,
19 \$75,000.

20 5. Except as otherwise required by federal law or regulation,
21 for the purposes of subsection 4, the Commissioner shall determine
22 the appropriate amount of the surety bond that must be deposited
23 initially by a mortgage ~~broker~~ company based upon the expected
24 annual loan production amount and shall determine the appropriate
25 amount of the surety bond annually based upon the actual annual
26 loan production.

27 **Sec. 17.** NRS 645B.048 is hereby amended to read as follows:

28 645B.048 1. Any person claiming against a bond may bring
29 an action in a court of competent jurisdiction on the bond for
30 damages to the extent covered by the bond. A person who brings an
31 action on a bond shall notify the Commissioner in writing upon
32 filing the action. An action may not be commenced after the
33 expiration of 3 years following the commission of the act on which
34 the action is based.

35 2. Upon receiving a request from a person for whose benefit a
36 bond is required, the Commissioner shall notify the person:

37 (a) That a bond is in effect and of the amount of the bond; and

38 (b) If there is an action against the bond, the title, court and case
39 number of the action and the amount sought by the plaintiff.

40 3. If a surety wishes to make payment without awaiting action
41 by a court, the amount of the bond must be reduced to the extent of
42 any payment made by the surety in good faith under the bond. Any
43 payment must be based on written claims received by the surety
44 before any action is taken by a court.



1 4. The surety may bring an action for interpleader against all
2 claimants upon the bond. If it does so, it shall publish notice of the
3 action at least once each week for 2 weeks in every issue of a
4 newspaper of general circulation in the county where the mortgage
5 ~~broker~~ company has its principal place of business. The surety
6 may deduct its costs of the action, including attorney's fees and
7 publication, from its liability under the bond.

8 5. Claims against a bond have equal priority, and if the bond is
9 insufficient to pay all claims in full, they must be paid on a pro rata
10 basis. Partial payment of claims is not full payment, and any
11 claimant may bring an action against the mortgage ~~broker~~
12 company for the unpaid balance.

13 **Sec. 18.** NRS 645B.050 is hereby amended to read as follows:

14 645B.050 1. A license as a mortgage ~~broker~~ company
15 issued pursuant to this chapter expires each year on December 31,
16 unless it is renewed. To renew such a license, the licensee must
17 submit to the Commissioner on or after November 1 and on or
18 before December 31 of each year, or on a date otherwise specified
19 by the Commissioner by regulation:

20 (a) An application for renewal;

21 (b) The fee required to renew the license pursuant to this
22 section;

23 (c) The information required pursuant to NRS 645B.051; and

24 (d) All information required by the Commissioner or, if
25 applicable, required by the Registry to complete the renewal.

26 2. If the licensee fails to submit any item required pursuant to
27 subsection 1 to the Commissioner on or after November 1 and on or
28 before December 31 of any year, unless a different date is specified
29 by the Commissioner by regulation, the license is cancelled as of
30 December 31 of that year. The Commissioner may reinstate a
31 cancelled license if the licensee submits to the Commissioner on or
32 before February 28 of the following year:

33 (a) An application for renewal;

34 (b) The fee required to renew the license pursuant to this
35 section;

36 (c) The information required pursuant to NRS 645B.051;

37 (d) Except as otherwise provided in this section, a reinstatement
38 fee of not more than \$200; and

39 (e) All information required to complete the reinstatement.

40 3. Except as otherwise provided in this section, a person must
41 pay the following fees to apply for, to be issued or to renew a
42 license as a mortgage ~~broker~~ company pursuant to this chapter:

43 (a) To file an original application for a license, not more than
44 \$1,500 for the principal office and not more than \$400 for each
45 branch office. The person must also pay such additional expenses



1 incurred in the process of investigation as the Commissioner deems
2 necessary.

3 (b) To be issued a license, not more than \$1,000 for the principal
4 office and not more than \$100 for each branch office.

5 (c) To renew a license, not more than \$500 for the principal
6 office and not more than \$100 for each branch office.

7 4. To be issued a duplicate copy of any license, a person must
8 make a satisfactory showing of its loss and pay a fee of not more
9 than \$10.

10 5. Except as otherwise provided in this chapter, all fees
11 received pursuant to this chapter are in addition to any fee required
12 to be paid to the Registry and must be deposited in the Account for
13 Mortgage Lending created by NRS 645F.270.

14 6. The Commissioner may, by regulation, adjust any fee or
15 date set forth in this section if the Commissioner determines that
16 such an adjustment is necessary for the Commissioner to carry out
17 his or her duties pursuant to this chapter. The amount of any
18 adjustment in a fee pursuant to this subsection must not exceed the
19 amount determined to be necessary for the Commissioner to carry
20 out his or her duties pursuant to this chapter.

21 7. The Commissioner may require a licensee to submit an item
22 or pay a fee required by this section directly to the Commissioner or,
23 if the licensee is required to register or voluntarily registers with the
24 Registry, to the Commissioner through the Registry.

25 **Sec. 19.** NRS 645B.051 is hereby amended to read as follows:

26 645B.051 1. Except as otherwise provided in subsection 2, in
27 addition to the requirements set forth in NRS 645B.050, to renew a
28 license as a mortgage ~~broker~~ **company**:

29 (a) If the licensee is a natural person, the licensee must submit to
30 the Commissioner satisfactory proof that the licensee attended at
31 least 10 hours of certified courses of continuing education during
32 the 12 months immediately preceding the date on which the license
33 expires.

34 (b) If the licensee is not a natural person, the licensee must
35 submit to the Commissioner satisfactory proof that each natural
36 person who supervises the daily business of the licensee attended at
37 least 10 hours of certified courses of continuing education during
38 the 12 months immediately preceding the date on which the license
39 expires.

40 2. In lieu of the continuing education requirements set forth in
41 paragraph (a) or (b) of subsection 1, a licensee or any natural person
42 who supervises the daily business of the licensee who, pursuant to
43 subsection 1 of NRS 645F.267, is not required to register or renew
44 with the Registry and who has not voluntarily registered or renewed
45 with the Registry must submit to the Commissioner satisfactory



1 proof that he or she attended at least 5 hours of certified courses of
2 continuing education during the 12 months immediately preceding
3 the date on which the license expires. The hours of continuing
4 education required by this subsection must include:

5 (a) At least 3 hours relating to the laws and regulations of this
6 State; and

7 (b) At least 2 hours relating to ethics.

8 3. As used in this section, "certified course of continuing
9 education" means a course of continuing education which relates to
10 the mortgage industry or mortgage transactions and which meets the
11 requirements set forth by the Commissioner by regulation pursuant
12 to NRS 645B.0138.

13 **Sec. 20.** NRS 645B.060 is hereby amended to read as follows:

14 645B.060 1. Subject to the administrative control of the
15 Director of the Department of Business and Industry, the
16 Commissioner shall exercise general supervision and control over
17 mortgage ~~brokers~~ *companies* and mortgage ~~agents~~ *loan*
18 *originators* doing business in this State.

19 2. In addition to the other duties imposed upon him or her by
20 law, the Commissioner shall:

21 (a) Adopt regulations:

22 (1) Setting forth the requirements for an investor to acquire
23 ownership of or a beneficial interest in a loan secured by a lien on
24 real property. The regulations must include, without limitation, the
25 minimum financial conditions that the investor must comply with
26 before becoming an investor.

27 (2) Establishing reasonable limitations and guidelines on
28 loans made by a mortgage ~~broker~~ *company* to a director, officer,
29 mortgage ~~agent~~ *loan originator* or employee of the mortgage
30 ~~broker~~ *company*.

31 (b) Adopt any other regulations that are necessary to carry out
32 the provisions of this chapter, except as to loan ~~brokerage~~ fees.

33 (c) Conduct such investigations as may be necessary to
34 determine whether any person has violated any provision of this
35 chapter, a regulation adopted pursuant to this chapter or an order of
36 the Commissioner.

37 (d) Except as otherwise provided in subsection 4, conduct an
38 annual examination of each mortgage ~~broker~~ *company* doing
39 business in this State. The annual examination must include, without
40 limitation, a formal exit review with the mortgage ~~broker~~ *company*.
41 The Commissioner shall adopt regulations prescribing:

42 (1) Standards for determining the rating of each mortgage
43 ~~broker~~ *company* based upon the results of the annual examination;
44 and



1 (2) Procedures for resolving any objections made by the
2 mortgage ~~broker~~ company to the results of the annual
3 examination. The results of the annual examination may not be
4 opened to public inspection pursuant to NRS 645B.090 until after a
5 period of time set by the Commissioner to determine any objections
6 made by the mortgage ~~broker~~ company.

7 (e) Conduct such other examinations, periodic or special audits,
8 investigations and hearings as may be necessary for the efficient
9 administration of the laws of this State regarding mortgage ~~brokers~~
10 companies and mortgage ~~agents~~ loan originators. The
11 Commissioner shall adopt regulations specifying the general
12 guidelines that will be followed when a periodic or special audit of a
13 mortgage ~~broker~~ company is conducted pursuant to this chapter.

14 (f) Classify as confidential certain records and information
15 obtained by the Division when those matters are obtained from a
16 governmental agency upon the express condition that they remain
17 confidential. This paragraph does not limit examination by:

18 (1) The Legislative Auditor; or

19 (2) The Department of Taxation if necessary to carry out the
20 provisions of chapters 363A and 363C of NRS.

21 (g) Conduct such examinations and investigations as are
22 necessary to ensure that mortgage ~~brokers~~ companies and
23 mortgage ~~agents~~ loan originators meet the requirements of this
24 chapter for obtaining a license, both at the time of the application for
25 a license and thereafter on a continuing basis.

26 3. For each special audit, investigation or examination, a
27 mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator
28 shall pay a fee based on the rate established pursuant to NRS
29 645F.280.

30 4. The Commissioner may conduct examinations of a mortgage
31 ~~broker~~ company, as described in paragraph (d) of subsection 2, on
32 a biennial instead of an annual basis if the mortgage ~~broker~~
33 company:

34 (a) Received a rating in the last annual examination that meets a
35 threshold determined by the Commissioner;

36 (b) Has not had any adverse change in financial condition since
37 the last annual examination, as shown by financial statements of the
38 mortgage ~~broker~~ company;

39 (c) Has not had any complaints received by the Division that
40 resulted in any administrative action by the Division; and

41 (d) Does not maintain any trust accounts pursuant to NRS
42 645B.170 or 645B.175 or arrange loans funded by private investors.

43 **Sec. 21.** NRS 645B.075 is hereby amended to read as follows:

44 645B.075 Each mortgage ~~broker~~ company shall pay the
45 assessment levied pursuant to NRS 645F.180. Each mortgage



1 ~~broker~~ company and mortgage ~~agent~~ loan originator shall
2 cooperate fully with the audits and examinations performed
3 pursuant thereto.

4 **Sec. 22.** NRS 645B.080 is hereby amended to read as follows:

5 645B.080 1. Each mortgage ~~broker~~ company shall keep and
6 maintain at all times at each location where the mortgage ~~broker~~
7 company conducts business in this state complete and suitable
8 records of all mortgage transactions made by the mortgage ~~broker~~
9 company at that location. Each mortgage ~~broker~~ company shall
10 also keep and maintain at all times at each such location all original
11 books, papers and data, or copies thereof, clearly reflecting the
12 financial condition of the business of the mortgage ~~broker.~~
13 company.

14 2. Each mortgage ~~broker~~ company shall submit to the
15 Commissioner each month a report of the mortgage ~~broker's~~
16 company's activity for the previous month. The report must:

17 (a) Specify the volume of loans arranged *and loans made* by the
18 mortgage ~~broker~~ company for the month or state that no loans
19 were arranged *or made* in that month;

20 (b) Include any information required pursuant to NRS 645B.260
21 or pursuant to the regulations adopted by the Commissioner; and

22 (c) Be submitted to the Commissioner by the 15th day of the
23 month following the month for which the report is made.

24 3. The Commissioner may adopt regulations prescribing
25 accounting procedures for mortgage ~~brokers~~ companies handling
26 trust accounts and the requirements for keeping records relating to
27 such accounts.

28 4. Each mortgage ~~broker~~ company who is required to register
29 or voluntarily registers with the Registry shall submit to the Registry
30 and the Commissioner a report of condition or any other report
31 required by the Registry in the form and at the time required by the
32 Registry.

33 **Sec. 23.** NRS 645B.085 is hereby amended to read as follows:

34 645B.085 1. Except as otherwise provided in this section, not
35 later than 90 days after the last day of each fiscal year for a
36 mortgage ~~broker~~ company, the mortgage ~~broker~~ company shall
37 submit to the Commissioner a financial statement that:

38 (a) Is dated not earlier than the last day of the fiscal year; and

39 (b) Has been prepared from the books and records of the
40 mortgage ~~broker~~ company by an independent certified public
41 accountant who holds a license to practice in this State or in any
42 other state that has not been revoked or suspended.

43 2. Unless otherwise prohibited by the Registry, the
44 Commissioner may grant a reasonable extension for the submission
45 of a financial statement pursuant to this section if a mortgage



1 ~~broker~~ *company* requests such an extension before the date on
2 which the financial statement is due.

3 3. If a mortgage ~~broker~~ *company* maintains any accounts
4 described in subsection 1 of NRS 645B.175, the financial statement
5 submitted pursuant to this section must be audited. If a mortgage
6 ~~broker~~ *company* maintains any accounts described in subsection 1
7 or 4 of NRS 645B.175, those accounts must be audited.

8 4. The Commissioner shall adopt regulations prescribing the
9 scope of an audit conducted pursuant to subsection 3.

10 **Sec. 24.** NRS 645B.090 is hereby amended to read as follows:

11 645B.090 1. Except as otherwise provided in this section or
12 by specific statute, all papers, documents, reports and other written
13 instruments filed with the Commissioner pursuant to this chapter are
14 open to public inspection.

15 2. Except as otherwise provided in subsection 3, the
16 Commissioner may withhold from public inspection or refuse to
17 disclose to a person, for such time as the Commissioner considers
18 necessary, any information that, in the Commissioner's judgment,
19 would:

20 (a) Impede or otherwise interfere with an investigation or
21 examination that is currently pending against a mortgage ~~broker~~;
22 *company*;

23 (b) Have an undesirable effect on the welfare of the public; or

24 (c) Reveal personal information in violation of NRS 239B.030.

25 3. Except as otherwise provided in NRS 645B.092, the
26 Commissioner shall disclose the following information concerning a
27 mortgage ~~broker~~ *company* to any person who requests it:

28 (a) The findings and results of any investigation which has been
29 completed during the immediately preceding 5 years against the
30 mortgage ~~broker~~ *company* pursuant to the provisions of this
31 chapter and which has resulted in a finding by the Commissioner
32 that the mortgage ~~broker~~ *company* committed a violation of a
33 provision of this chapter, a regulation adopted pursuant to this
34 chapter or an order of the Commissioner;

35 (b) The nature of any disciplinary action that has been taken
36 during the immediately preceding 5 years against the mortgage
37 ~~broker~~ *company* pursuant to the provisions of this chapter; and

38 (c) If the mortgage ~~broker~~ *company* makes or offers for sale in
39 this State any investments in promissory notes secured by liens on
40 real property:

41 (1) Any information in the possession of the Commissioner
42 regarding the present and past ownership and management structure
43 of the mortgage ~~broker~~ *company*; and

44 (2) The findings and results of:



1 (I) All examinations or investigations of the mortgage
2 ~~broker~~ company conducted pursuant to NRS 645B.060 during the
3 immediately preceding 5 years, including, without limitation, annual
4 or biennial examinations of the mortgage ~~broker~~ company
5 conducted pursuant to NRS 645B.060, including, without limitation,
6 the rating for each annual or biennial examination and an
7 explanation of the standards for determining that rating; and

8 (II) Any other examination or audit, investigation or
9 hearing which has been completed during the immediately
10 preceding 3 years against the mortgage ~~broker~~ company pursuant
11 to the provisions of this chapter.

12 **Sec. 25.** NRS 645B.093 is hereby amended to read as follows:

13 645B.093 1. A mortgage ~~broker~~ company who is a broker-
14 dealer or a sales representative licensed pursuant to NRS 90.310 or
15 who is exempt from licensure pursuant to NRS 90.320:

16 (a) Shall not commingle money received for mortgage
17 transactions and money received for securities transactions; and

18 (b) Shall ensure that all money received for mortgage
19 transactions is accounted for separately from all money received for
20 securities transactions.

21 2. A mortgage ~~broker~~ company who is an investment adviser
22 or a representative of an investment adviser licensed pursuant to
23 NRS 90.330 or exempt from licensure pursuant to
24 NRS 90.340:

25 (a) Shall not commingle money received for mortgage
26 transactions and money received for securities transactions; and

27 (b) Shall ensure that all money received for mortgage
28 transactions is accounted for separately from all money received for
29 securities transactions.

30 **Sec. 26.** NRS 645B.095 is hereby amended to read as follows:

31 645B.095 1. As used in this section, "change of control"
32 means:

33 (a) A transfer of voting stock which results in giving a person,
34 directly or indirectly, the power to direct the management and policy
35 of a mortgage ~~broker~~ company; or

36 (b) A transfer of at least 25 percent of the outstanding voting
37 stock of a mortgage ~~broker~~ company.

38 2. The Commissioner must be notified in writing of a transfer
39 of 10 percent or more of the outstanding voting stock of a mortgage
40 ~~broker~~ company at least 15 days before such a transfer and must
41 approve a transfer of voting stock of a mortgage ~~broker~~ company
42 which constitutes a change of control.

43 3. The person who acquires stock resulting in a change of
44 control of the mortgage ~~broker~~ company shall apply to the
45 Commissioner for approval of the transfer. The application must



1 contain information which shows that the requirements of this
2 chapter and the Registry, if applicable, for obtaining a license will
3 be satisfied after the change of control. Except as otherwise
4 provided in subsection 4, the Commissioner shall conduct an
5 investigation to determine whether those requirements will be
6 satisfied. If, after the investigation, the Commissioner denies the
7 application, the Commissioner may forbid the applicant from
8 participating in the business of the mortgage ~~broker~~ company.

9 4. A mortgage ~~broker~~ company may submit a written request
10 to the Commissioner to waive an investigation pursuant to
11 subsection 3. The Commissioner may grant a waiver if the applicant
12 has undergone a similar investigation by a state or federal agency in
13 connection with the licensing of or his or her employment with a
14 financial institution.

15 **Sec. 27.** NRS 645B.115 is hereby amended to read as follows:

16 645B.115 1. If a mortgage ~~broker~~ company maintains any
17 accounts described in NRS 645B.175, the mortgage ~~broker~~
18 company and his or her mortgage ~~agents~~ loan originators shall not
19 engage in any activity that is authorized pursuant to this chapter,
20 unless the mortgage ~~broker~~ company maintains continuously a
21 minimum net worth in the following amount based upon the average
22 monthly balance of the accounts maintained by the mortgage
23 ~~broker~~ company pursuant to NRS 645B.175:

AVERAGE MONTHLY BALANCE	MINIMUM NET WORTH REQUIRED
\$100,000 or less.....	\$25,000
More than \$100,000 but not more than \$250,000	50,000
More than \$250,000 but not more than \$500,000	100,000
More than \$500,000 but not more than \$1,000,000	200,000
More than \$1,000,000	250,000

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33 The Commissioner shall determine the appropriate initial minimum
34 net worth that must be maintained by the mortgage ~~broker~~
35 company pursuant to this section based upon the expected average
36 monthly balance of the accounts maintained by the mortgage
37 ~~broker~~ company pursuant to NRS 645B.175. After determining the
38 initial minimum net worth that must be maintained by the mortgage
39 ~~broker~~ company, the Commissioner shall, on an annual basis,
40 determine the appropriate minimum net worth that must be
41 maintained by the mortgage ~~broker~~ company pursuant to this
42 section based upon the average monthly balance of the accounts
43 maintained by the mortgage ~~broker~~ company pursuant to
44 NRS 645B.175.



1 2. If requested by the Commissioner, a mortgage ~~broker~~
2 *company* who is subject to the provisions of this section and his or
3 her mortgage ~~agents~~ *loan originators* shall submit to the
4 Commissioner or allow the Commissioner to examine any
5 documentation or other evidence that is related to determining the
6 net worth of the mortgage ~~broker~~ *company*.

7 3. The Commissioner:

8 (a) Shall adopt regulations prescribing standards for determining
9 the net worth of a mortgage ~~broker~~ *company*; and

10 (b) May adopt any other regulations that are necessary to carry
11 out the provisions of this section.

12 **Sec. 28.** NRS 645B.165 is hereby amended to read as follows:

13 645B.165 1. Except as otherwise permitted by law and as
14 otherwise provided in subsection 3, the amount of any advance fee,
15 salary, deposit or money paid to a mortgage ~~broker~~ *company* and
16 his or her mortgage ~~agents~~ *loan originators* or any other person to
17 obtain a loan which will be secured by a lien on real property must
18 be placed in escrow pending completion of the loan or a
19 commitment for the loan.

20 2. The amount held in escrow pursuant to subsection 1 must be
21 released:

22 (a) Upon completion of the loan or commitment for the loan, to
23 the mortgage ~~broker~~ *company* or other person to whom the
24 advance fee, salary, deposit or money was paid.

25 (b) If the loan or commitment for the loan fails, to the person
26 who made the payment.

27 3. Advance payments to cover reasonably estimated costs paid
28 to third persons are excluded from the provisions of subsections 1
29 and 2 if the person making them first signs a written agreement
30 which specifies the estimated costs by item and the estimated
31 aggregate cost, and which recites that money advanced for costs will
32 not be refunded. If an itemized service is not performed and the
33 estimated cost thereof is not refunded, the recipient of the advance
34 payment is subject to the penalties provided in NRS 645B.960.

35 **Sec. 29.** NRS 645B.170 is hereby amended to read as follows:

36 645B.170 1. All money paid to a mortgage ~~broker~~ *company*
37 and his or her mortgage ~~agents~~ *loan originators* for payment of
38 taxes or insurance premiums on real property which secures any
39 loan arranged *or loan made* by the mortgage ~~broker~~ *company*
40 must be deposited in an insured depository financial institution and
41 kept separate, distinct and apart from money belonging to the
42 mortgage ~~broker~~ *company*. Such money, when deposited, is to be
43 designated as an "impound trust account" or under some other
44 appropriate name indicating that the accounts are not the money of
45 the mortgage ~~broker~~ *company*.



1 2. The mortgage ~~broker~~ *company* has a fiduciary duty to each
2 debtor with respect to the money in an impound trust account.

3 3. The mortgage ~~broker~~ *company* shall, upon reasonable
4 notice, account to any debtor whose real property secures a loan
5 arranged *or loan made* by the mortgage ~~broker~~ *company* for any
6 money which that person has paid to the mortgage ~~broker~~
7 *company* for the payment of taxes or insurance premiums on the
8 real property.

9 4. The mortgage ~~broker~~ *company* shall, upon reasonable
10 notice, account to the Commissioner for all money in an impound
11 trust account.

12 5. A mortgage ~~broker~~ *company* shall:

13 (a) Require contributions to an impound trust account in an
14 amount reasonably necessary to pay the obligations as they become
15 due.

16 (b) Undertake an annual review of an impound trust account.

17 (c) Within 30 days after the completion of the annual review of
18 an impound trust account, notify the debtor:

19 (1) Of the amount by which the contributions exceed the
20 amount reasonably necessary to pay the annual obligations due from
21 the account; and

22 (2) That the debtor may specify the disposition of the excess
23 money within 20 days after receipt of the notice. If the debtor fails
24 to specify such a disposition within that time, the mortgage ~~broker~~
25 *company* shall maintain the excess money in the account.

26 ↪ This subsection does not prohibit a mortgage ~~broker~~ *company*
27 from requiring additional amounts to be paid into an impound trust
28 account to recover a deficiency that exists in the account.

29 6. A mortgage ~~broker~~ *company* shall not make payments
30 from an impound trust account in a manner that causes a policy of
31 insurance to be cancelled or causes property taxes or similar
32 payments to become delinquent.

33 **Sec. 30.** NRS 645B.175 is hereby amended to read as follows:

34 645B.175 1. Except as otherwise provided in this section, all
35 money received by a mortgage ~~broker~~ *company* and his or her
36 mortgage ~~agents~~ *loan originators* from an investor to acquire
37 ownership of or a beneficial interest in a loan secured by a lien on
38 real property must:

39 (a) Be deposited in:

40 (1) An insured depository financial institution; or

41 (2) An escrow account which is controlled by a person who
42 is independent of the parties and subject to instructions regarding
43 the account which are approved by the parties.

44 (b) Be kept separate from money:



1 (1) Belonging to the mortgage ~~broker~~ *company* in an
2 account appropriately named to indicate that the money does not
3 belong to the mortgage ~~broker~~ *company*.

4 (2) Received pursuant to subsection 4.

5 2. Except as otherwise provided in this section, the amount
6 held in trust pursuant to subsection 1 must be released:

7 (a) Upon completion of the loan, including proper recordation of
8 the respective interests or release, or upon completion of the transfer
9 of the ownership or beneficial interest therein, to the debtor or the
10 debtor's designee less the amount due the mortgage ~~broker~~
11 *company* for the payment of any fee or service charge;

12 (b) If the loan or the transfer thereof is not consummated, to
13 each investor who furnished the money held in trust; or

14 (c) Pursuant to any instructions regarding the escrow account.

15 3. The amount held in trust pursuant to subsection 1 must not
16 be released to the debtor or the debtor's designee unless:

17 (a) The amount released is equal to the total amount of money
18 which is being loaned to the debtor for that loan, less the amount
19 due the mortgage ~~broker~~ *company* for the payment of any fee or
20 service charge; and

21 (b) The mortgage ~~broker~~ *company* has provided a written
22 instruction to a title agent or title insurer requiring that a lender's
23 policy of title insurance or appropriate title endorsement, which
24 names as an insured each investor who owns a beneficial interest in
25 the loan, be issued for the real property securing the loan.

26 4. Except as otherwise provided in this section, all money paid
27 to a mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~
28 *loan originators* by a person in full or in partial payment of a loan
29 secured by a lien on real property, must:

30 (a) Be deposited in:

31 (1) An insured depository financial institution; or

32 (2) An escrow account which is controlled by a person who
33 is subject to instructions regarding the account which are approved
34 by the parties.

35 (b) Be kept separate from money:

36 (1) Belonging to the mortgage ~~broker~~ *company* in an
37 account appropriately named to indicate that it does not belong to
38 the mortgage ~~broker~~ *company*.

39 (2) Received pursuant to subsection 1.

40 5. Except as otherwise provided in this section, the amount
41 held in trust pursuant to subsection 4:

42 (a) Must be released, upon the deduction and payment of any fee
43 or service charge due the mortgage ~~broker~~ *company*, to each
44 investor who owns a beneficial interest in the loan in exact



1 proportion to the beneficial interest that the investor owns in the
2 loan; and

3 (b) Must not be released, in any proportion, to an investor who
4 owns a beneficial interest in the loan, unless the amount described in
5 paragraph (a) is also released to every other investor who owns a
6 beneficial interest in the loan.

7 6. An investor may waive, in writing, the right to receive one
8 or more payments, or portions thereof, that are released to other
9 investors in the manner set forth in subsection 5. A mortgage
10 ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not act
11 as the attorney-in-fact or the agent of an investor with respect to the
12 giving of a written waiver pursuant to this subsection. Any such
13 written waiver applies only to the payment or payments, or portions
14 thereof, that are included in the written waiver and does not affect
15 the right of the investor to:

16 (a) Receive the waived payment or payments, or portions
17 thereof, at a later date; or

18 (b) Receive all other payments in full and in accordance with the
19 provisions of subsection 5.

20 7. Upon reasonable notice, any mortgage ~~broker~~ *company*
21 described in this section shall:

22 (a) Account to any investor or debtor who has paid to the
23 mortgage ~~broker~~ *company* or his or her mortgage ~~agents~~ *loan*
24 *originators* money that is required to be deposited in a trust account
25 pursuant to this section; and

26 (b) Account to the Commissioner for all money which the
27 mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan*
28 *originators* have received from each investor or debtor and which
29 the mortgage ~~broker~~ *company* is required to deposit in a trust
30 account pursuant to this section.

31 8. Money received by a mortgage ~~broker~~ *company* and his or
32 her mortgage ~~agents~~ *loan originators* pursuant to this section from
33 a person who is not associated with the mortgage ~~broker~~ *company*
34 may be held in trust for not more than 45 days before an escrow
35 account must be opened in connection with the loan. If, within this
36 45-day period, the loan or the transfer therefor is not consummated,
37 the money must be returned within 24 hours. If the money is so
38 returned, it may not be reinvested with the mortgage ~~broker~~
39 *company* for at least 15 days.

40 9. If a mortgage ~~broker~~ *company* or a mortgage ~~agent~~ *loan*
41 *originator* receives any money pursuant to this section, the
42 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*,
43 after the deduction and payment of any fee or service charge due the
44 mortgage ~~broker~~ *company*, shall not release the money to:



1 (a) Any person who does not have a contractual or legal right to
2 receive the money; or

3 (b) Any person who has a contractual right to receive the money
4 if the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan*
5 *originator* knows or, in light of all the surrounding facts and
6 circumstances, reasonably should know that the person's contractual
7 right to receive the money violates any provision of this chapter or a
8 regulation adopted pursuant to this chapter.

9 10. If a mortgage ~~broker~~ *company* maintains any accounts
10 described in subsection 1 or 4, the mortgage ~~broker~~ *company*
11 shall, in addition to the annual financial statement audited pursuant
12 to NRS 645B.085, submit to the Commissioner each 6 calendar
13 months a financial statement concerning those trust accounts.

14 11. The Commissioner shall adopt regulations concerning the
15 form and content required for financial statements submitted
16 pursuant to subsection 10.

17 12. Any duty, responsibility or obligation of a mortgage
18 ~~broker~~ *company* pursuant to this chapter is not delegable or
19 transferable to an investor, and, if an investor only provides money
20 to acquire ownership of or a beneficial interest in a loan secured by
21 a lien on real property, no criminal or civil liability may be imposed
22 on the investor for any act or omission of a mortgage ~~broker~~
23 *company*.

24 **Sec. 31.** NRS 645B.180 is hereby amended to read as follows:

25 645B.180 1. Money in an impound trust account is not
26 subject to execution or attachment on any claim against the
27 mortgage ~~broker~~ *company* or his or her mortgage ~~agents~~ *loan*
28 *originators*.

29 2. It is unlawful for a mortgage ~~broker~~ *company* or his or her
30 mortgage ~~agents~~ *loan originators* knowingly to keep or cause to
31 be kept any money in a depository financial institution under the
32 heading of "impound trust account" or any other name designating
33 such money as belonging to the investors or debtors of the mortgage
34 ~~broker~~ *company*, unless the money has been paid to the mortgage
35 ~~broker~~ *company* or his or her mortgage ~~agents~~ *loan originators*
36 by an investor or debtor and is being held in trust by the mortgage
37 ~~broker~~ *company* pursuant to NRS 645B.170 or 645B.175.

38 **Sec. 32.** NRS 645B.185 is hereby amended to read as follows:

39 645B.185 1. A mortgage ~~broker~~ *company* or mortgage
40 ~~agent~~ *loan originator* shall not accept money from a private
41 investor to acquire ownership of or a beneficial interest in a loan
42 secured by a lien on real property unless:

43 (a) The private investor and the mortgage ~~broker~~ *company* or
44 mortgage ~~agent~~ *loan originator* sign and date a disclosure form
45 that complies with the provisions of this section; and



1 (b) The mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan*
2 *originator* gives the private investor the original disclosure form
3 that has been signed and dated.

4 2. A private investor and a mortgage ~~broker~~ *company* or
5 mortgage ~~agent~~ *loan originator* must sign and date a separate
6 disclosure form pursuant to subsection 1 for each loan in which the
7 private investor invests his or her money. A mortgage ~~broker~~
8 *company* or mortgage ~~agent~~ *loan originator* shall not act as the
9 attorney-in-fact or the agent of a private investor with respect to the
10 signing or dating of any disclosure form.

11 3. In addition to the requirements of subsections 1 and 2, a
12 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*
13 shall not accept money from a private investor to acquire ownership
14 of or a beneficial interest in a loan secured by a lien on real
15 property, unless the mortgage ~~broker~~ *company* or mortgage
16 ~~agent~~ *loan originator* gives the private investor a written form by
17 which the private investor may request that the mortgage ~~broker~~
18 *company* authorize the Commissioner to release the mortgage
19 ~~broker's~~ *company's* financial statement to the private investor.
20 Such a form must be given to the private investor for each loan. If
21 the private investor, before giving money to the mortgage ~~broker~~
22 *company* for the loan, requests that the mortgage ~~broker~~ *company*
23 authorize the release of a financial statement pursuant to this
24 subsection, the mortgage ~~broker~~ *company* and his or her mortgage
25 ~~agents~~ *loan originators* shall not accept money from the private
26 investor for that loan until the mortgage ~~broker~~ *company* receives
27 notice from the Commissioner that the financial statement has been
28 released to the private investor.

29 4. A private investor and a mortgage ~~broker~~ *company* or
30 mortgage ~~agent~~ *loan originator* may not agree to alter or waive the
31 provisions of this section by contract or other agreement. Any such
32 contract or agreement is void and must not be given effect to the
33 extent that it violates the provisions of this section.

34 5. A mortgage ~~broker~~ *company* shall retain a copy of each
35 disclosure form that is signed and dated pursuant to subsection 1 for
36 the period that is prescribed in the regulations adopted by the
37 Commissioner.

38 6. The standard provisions for each such disclosure form must
39 include, without limitation, statements:

40 (a) Explaining the risks of investing through the mortgage
41 ~~broker~~ *company*, including, without limitation:

- 42 (1) The possibility that the debtor may default on the loan;
43 (2) The nature of the losses that may result through
44 foreclosure;



1 (3) The fact that payments of principal and interest are not
2 guaranteed and that the private investor may lose the entire amount
3 of principal that he or she has invested;

4 (4) The fact that the mortgage ~~{broker}~~ *company* is not a
5 depository financial institution and that the investment is not insured
6 by any depository insurance and is not otherwise insured or
7 guaranteed by the Federal or State Government; and

8 (5) Any other information required pursuant to the
9 regulations adopted by the Commissioner; and

10 (b) Disclosing to the private investor the following information
11 if the information is known or, in light of all the surrounding facts
12 and circumstances, reasonably should be known to the mortgage
13 ~~{broker}~~ *company*:

14 (1) Whether the real property that will secure the loan is
15 encumbered by any other liens and, if so, the priority of each such
16 lien, the amount of debt secured by each such lien and the current
17 status of that debt, including, without limitation, whether the debt is
18 being paid or is in default;

19 (2) Whether the mortgage ~~{broker}~~ *company* or any general
20 partner, officer, director or mortgage ~~{agent}~~ *loan originator* of the
21 mortgage ~~{broker}~~ *company* has any direct or indirect interest in the
22 debtor;

23 (3) Whether any disciplinary action has been taken by the
24 Commissioner against the mortgage ~~{broker}~~ *company* or any
25 general partner, officer or director of the mortgage ~~{broker}~~
26 *company* within the immediately preceding 12 months, and the
27 nature of any such disciplinary action;

28 (4) Whether the mortgage ~~{broker}~~ *company* or any general
29 partner, officer or director of the mortgage ~~{broker}~~ *company* has
30 been convicted within the immediately preceding 12 months for
31 violating any law, ordinance or regulation that involves fraud,
32 misrepresentation or a deceitful, fraudulent or dishonest business
33 practice; and

34 (5) Any other information required pursuant to the
35 regulations adopted by the Commissioner.

36 7. Whether or not a mortgage ~~{broker}~~ *company* is required to
37 disclose any information to private investors through a disclosure
38 form that complies with the provisions of this section, the
39 Commissioner may order the mortgage ~~{broker}~~ *company* to
40 disclose to private investors and other investors or to the general
41 public any information concerning the mortgage ~~{broker}~~ *company*,
42 any general partner, officer, director or mortgage ~~{agent}~~ *loan*
43 *originator* of the mortgage ~~{broker}~~ *company* or any loan in which
44 the mortgage ~~{broker}~~ *company* is or has been involved, if the
45 Commissioner, in his or her judgment, believes that the information:



1 (a) Would be of material interest to a reasonable investor who is
2 deciding whether to invest money with the mortgage ~~broker~~
3 *company*; or

4 (b) Is necessary to protect the welfare of the public.

5 8. In carrying out the provisions of subsection 7, the
6 Commissioner may, without limitation, order a mortgage ~~broker~~
7 *company* to include statements of disclosure prescribed by the
8 Commissioner:

9 (a) In the disclosure form that must be given to private investors
10 pursuant to subsection 1;

11 (b) In additional disclosure forms that must be given to private
12 investors and other investors before or after they have invested
13 money through the mortgage ~~broker~~ *company*; or

14 (c) In any advertisement that the mortgage ~~broker~~ *company*
15 uses in carrying on his or her business.

16 9. The Commissioner:

17 (a) Shall adopt regulations prescribing the period for which a
18 mortgage ~~broker~~ *company* must retain a copy of each disclosure
19 form that is given to private investors; and

20 (b) May adopt any other regulations that are necessary to carry
21 out the provisions of this section, including, without limitation,
22 regulations specifying the size of print and any required formatting
23 or typesetting that a mortgage ~~broker~~ *company* must use in any
24 form that is given to private investors.

25 **Sec. 33.** NRS 645B.186 is hereby amended to read as follows:

26 645B.186 1. If a licensee or a relative of the licensee is
27 licensed as, conducts business as or holds a controlling interest or
28 position in:

29 (a) A construction control;

30 (b) An escrow agency or escrow agent; or

31 (c) A title agent, a title insurer or an escrow officer of a title
32 agent or title insurer,

33 ➤ the licensee shall fully disclose his or her status as, connection to
34 or relationship with the construction control, escrow agency, escrow
35 agent, title agent, title insurer or escrow officer to each investor, and
36 the licensee shall not require, as a condition to an investor acquiring
37 ownership of or a beneficial interest in a loan secured by a lien on
38 real property, that the investor transact business with or use the
39 services of the construction control, escrow agency, escrow agent,
40 title agent, title insurer or escrow officer or that the investor
41 authorize the licensee to transact business with or use the services of
42 the construction control, escrow agency, escrow agent, title agent,
43 title insurer or escrow officer on behalf of the investor.

44 2. For the purposes of this section, a person shall be deemed to
45 hold a controlling interest or position if the person:



1 (a) Owns or controls a majority of the voting stock or holds any
2 other controlling interest, directly or indirectly, that gives the person
3 the power to direct management or determine policy; or

4 (b) Is a partner, officer, director or trustee.

5 3. As used in this section, "licensee" means:

6 (a) A person who is licensed as a mortgage ~~broker~~ *company* or
7 mortgage ~~agent~~ *loan originator* pursuant to this chapter; and

8 (b) Any general partner, officer or director of such a person.

9 **Sec. 34.** NRS 645B.187 is hereby amended to read as follows:

10 645B.187 1. If a mortgage ~~broker~~ *company* or mortgage
11 ~~agent~~ *loan originator* solicits or receives money from an investor,
12 the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*
13 shall not:

14 (a) In any advertisement; or

15 (b) Before, during or after solicitation or receipt of money from
16 the investor,

17 ↪ make, or cause or encourage to be made, any explicit or implicit
18 statement, representation or promise, oral or written, which a
19 reasonable person would construe as a guarantee that the investor
20 will be repaid the principal amount of money he or she invests or
21 will earn a specific rate of return or a specific rate of interest on the
22 principal amount of money he or she invests.

23 2. If a mortgage ~~broker~~ *company* offers to pay or pays
24 premium interest on money that the mortgage ~~broker~~ *company*
25 receives from a person to acquire ownership of or a beneficial
26 interest in a loan secured by a lien on real property or in full or
27 partial payment of such a loan:

28 (a) The premium interest must be paid from the assets or income
29 of the mortgage ~~broker~~ *company*; and

30 (b) The mortgage ~~broker~~ *company* or a mortgage ~~agent~~ *loan*
31 *originator* shall not:

32 (1) In any advertisement; or

33 (2) Before, during or after receipt of money from such a
34 person,

35 ↪ make, or cause or encourage to be made, any explicit or implicit
36 statement, representation or promise, oral or written, which a
37 reasonable person would construe as a guarantee that the mortgage
38 ~~broker~~ *company* will pay the premium interest.

39 3. A person who violates any provision of this section is guilty of
40 a misdemeanor and shall be punished as provided in
41 NRS 645B.950.

42 4. As used in this section, "premium interest" means that
43 amount of interest a mortgage ~~broker~~ *company* pays to a person
44 which exceeds the amount which is being obtained from the insured
45 depository financial institution.



1 **Sec. 35.** NRS 645B.189 is hereby amended to read as follows:

2 645B.189 1. If, in carrying on his or her business, a mortgage
3 ~~broker~~ *company* uses an advertisement that is designed, intended
4 or reasonably likely to solicit money from private investors, the
5 mortgage ~~broker~~ *company* shall include in each such
6 advertisement a statement of disclosure in substantially the
7 following form:

8
9 Money invested through a mortgage ~~broker~~ *company* is not
10 guaranteed to earn any interest or return and is not insured.
11

12 2. A mortgage ~~broker~~ *company* shall include in each
13 advertisement that the mortgage ~~broker~~ *company* uses in carrying
14 on his or her business any statements of disclosure required pursuant
15 to the regulations adopted by the Commissioner or required pursuant
16 to an order of the Commissioner entered in accordance with
17 subsections 7 and 8 of NRS 645B.185.

18 3. Each mortgage ~~broker~~ *company* who has received an
19 initial license within the past 12 months shall submit any proposed
20 advertisement that the mortgage ~~broker~~ *company* intends to use in
21 carrying on his or her business to the Commissioner for approval.

22 4. In addition to the requirements set forth in this chapter, each
23 advertisement that a mortgage ~~broker~~ *company* uses in carrying on
24 his or her business must comply with the requirements of:

25 (a) NRS 598.0903 to 598.0999, inclusive, concerning deceptive
26 trade practices; and

27 (b) Any applicable federal statute or regulation concerning
28 deceptive advertising and the advertising of interest rates.

29 5. If a mortgage ~~broker~~ *company* violates any provision of
30 NRS 598.0903 to 598.0999, inclusive, concerning deceptive trade
31 practices or any federal statute or regulation concerning deceptive
32 advertising or the advertising of interest rates, in addition to any
33 sanction or penalty imposed by state or federal law upon the
34 mortgage ~~broker~~ *company* for the violation, the Commissioner
35 may take any disciplinary action set forth in paragraph (b) of
36 subsection 1 of NRS 645B.670 against the mortgage ~~broker~~
37 *company*.

38 6. The Commissioner may adopt any regulations that are
39 necessary to carry out the provisions of this section.

40 **Sec. 36.** NRS 645B.196 is hereby amended to read as follows:

41 645B.196 1. An advertising spokesperson for a mortgage
42 ~~broker~~ *company* is jointly and severally liable with the mortgage
43 ~~broker~~ *company* for damages caused by the mortgage ~~broker~~
44 *company* by fraud, embezzlement, misappropriation of property, a
45 violation of the provisions of this chapter or the regulations adopted



1 pursuant thereto, or an action of the mortgage ~~broker~~ *company* that
2 is grounds for disciplinary action, if:

3 (a) The advertising spokesperson knew or should have known of
4 the fraud, embezzlement, misappropriation of property, violation of
5 the provisions of this chapter or the regulations adopted pursuant
6 thereto, or action of the mortgage ~~broker~~ *company* that is grounds
7 for disciplinary action; or

8 (b) In advertising for the mortgage ~~broker~~ *company*, the
9 advertising spokesperson knew or should have known that:

10 (1) The conduct of the advertising spokesperson was likely to
11 deceive, defraud or harm the public or any person who engaged in
12 business with the mortgage ~~broker~~ *company*; or

13 (2) The advertising spokesperson was disseminating material
14 information concerning the mortgage ~~broker~~ *company* or the
15 business, products or services of the mortgage ~~broker~~ *company*
16 which was false or misleading.

17 2. As used in this section:

18 (a) “Advertising for a mortgage ~~broker~~ *company*” means
19 advertising or otherwise promoting a mortgage ~~broker~~ *company* or
20 the business, products or services of the mortgage ~~broker~~ *company*
21 using any medium of communication.

22 (b) “Advertising spokesperson for a mortgage ~~broker~~ *company*”
23 *company*” or “advertising spokesperson” means a person who
24 consents to and receives compensation for using his or her name or
25 likeness in advertising for a mortgage ~~broker~~ *company*.

26 **Sec. 37.** NRS 645B.240 is hereby amended to read as follows:

27 645B.240 1. If a person is required to make a payment to a
28 mortgage ~~broker~~ *company* pursuant to the terms of a loan secured
29 by a lien on real property, the mortgage ~~broker~~ *company* may not
30 charge the person a late fee, an additional amount of interest or any
31 other penalty in connection with that payment if the payment is
32 delivered to the mortgage ~~broker~~ *company* before 5 p.m. on:

33 (a) The day that the payment is due pursuant to the terms of the
34 loan, if an office of the mortgage ~~broker~~ *company* is open to
35 customers until 5 p.m. on that day; or

36 (b) The next day that an office of the mortgage ~~broker~~ *company*
37 *company* is open to customers until 5 p.m., if the provisions of
38 paragraph (a) do not otherwise apply.

39 2. A person and a mortgage ~~broker~~ *company* or mortgage
40 ~~agent~~ *loan originator* may not agree to alter or waive the
41 provisions of this section by contract or other agreement, and any
42 such contract or agreement is void and must not be given effect to
43 the extent that it violates the provisions of this section.



1 **Sec. 38.** NRS 645B.250 is hereby amended to read as follows:

2 645B.250 Except pursuant to a contract for the collection or
3 servicing of a loan which is governed by the requirements
4 established by the Government National Mortgage Association,
5 Federal Home Loan Mortgage Corporation or Federal National
6 Mortgage Association, a mortgage ~~broker~~ *company* or mortgage
7 ~~agent~~ *loan originator* shall not advance payments to an investor
8 on behalf of a person who has obtained a loan secured by a lien on
9 real property and who has defaulted in his or her payments.

10 **Sec. 39.** NRS 645B.260 is hereby amended to read as follows:

11 645B.260 1. If a mortgage ~~broker~~ *company* maintains any
12 accounts described in subsection 4 of NRS 645B.175 in which the
13 mortgage ~~broker~~ *company* deposits payments from a debtor on a
14 loan secured by a lien on real property and, on the last day of any
15 month, the debtor has failed to make two or more consecutive
16 payments in accordance with the terms of the loan, the mortgage
17 ~~broker~~ *company* shall:

18 (a) Include in the report that the mortgage ~~broker~~ *company*
19 submits to the Commissioner pursuant to subsection 2 of NRS
20 645B.080 the information relating to delinquencies in payments and
21 defaults that is required by the regulations adopted pursuant to
22 subsection 2;

23 (b) Not later than 15 days after the last day of each such month,
24 mail to the last known address of each investor who owns a
25 beneficial interest in the loan a notice containing the information
26 relating to delinquencies in payments and defaults that is required
27 by the regulations adopted pursuant to subsection 2; and

28 (c) Comply with the provisions of this section each month on a
29 continuing basis until:

30 (1) The debtor or the debtor's designee remedies the
31 delinquency in payments and any default; or

32 (2) The lien securing the loan is extinguished.

33 2. The Commissioner:

34 (a) Shall adopt regulations prescribing the information relating
35 to delinquencies in payments and defaults that a mortgage ~~broker~~
36 *company* must include in his or her report to the Commissioner and
37 in the notice mailed to investors pursuant to subsection 1. Such
38 regulations may provide for variations between the information that
39 a mortgage ~~broker~~ *company* must include in his or her report to
40 the Commissioner and the information that a mortgage ~~broker~~
41 *company* must include in the notice mailed to investors.

42 (b) May adopt any other regulations that are necessary to carry
43 out the provisions of this section.



1 **Sec. 40.** NRS 645B.300 is hereby amended to read as follows:
2 645B.300 1. Except as otherwise provided in subsection 4, a
3 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*
4 shall not accept money from an investor to acquire ownership of or
5 a beneficial interest in a loan secured by a lien on real property,
6 unless the mortgage ~~broker~~ *company* has obtained a written
7 appraisal of the real property securing the loan.
8 2. The written appraisal of the real property:
9 (a) Must be completed not more than 6 months before the
10 mortgage ~~broker's~~ *company's* first solicitation for the loan;
11 (b) Must meet the standards set forth in the Uniform Standards
12 of Professional Appraisal Practice as adopted by the Appraisal
13 Standards Board of The Appraisal Foundation;
14 (c) Must be performed by an appraiser who is authorized to
15 perform appraisals in this State or in the state where the real
16 property securing the loan is located; and
17 (d) Must not be performed by the mortgage ~~broker~~ *company* or
18 a mortgage ~~agent~~ *loan originator*, unless the mortgage ~~broker~~
19 *company* or mortgage ~~agent~~ *loan originator* is certified or licensed
20 to perform such an appraisal pursuant to chapter 645C of NRS.
21 3. A copy of the written appraisal of the real property must be:
22 (a) Maintained at each office of the mortgage ~~broker~~ *company*
23 where money is accepted from an investor to acquire ownership of
24 or a beneficial interest in a loan secured by a lien on the real
25 property; and
26 (b) Made available during normal business hours for inspection
27 by each such investor and the Commissioner.
28 4. A mortgage ~~broker~~ *company* is not required to obtain a
29 written appraisal of the real property pursuant to this section if the
30 mortgage ~~broker~~ *company* obtains a written waiver of the
31 appraisal from each investor who acquires ownership of or a
32 beneficial interest in a loan secured by a lien on the real property. A
33 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*
34 shall not act as the attorney-in-fact or the agent of an investor with
35 respect to the giving of a written waiver pursuant to this subsection.
36 5. If the mortgage ~~broker~~ *company* obtains a written waiver
37 of the appraisal as provided in subsection 4, the mortgage ~~broker~~
38 *company* shall provide to each investor before accepting any money
39 from the investor a separate written disclosure which contains the
40 information analyzed, the valuation methods and techniques
41 employed and the reasoning for any opinion regarding value
42 provided by or on behalf of the mortgage ~~broker~~ *company*.
43 6. As used in this section, "appraisal" has the meaning ascribed
44 to it in NRS 645C.030.



1 **Sec. 41.** NRS 645B.305 is hereby amended to read as follows:

2 645B.305 A mortgage ~~broker~~ *company* shall ensure that each
3 loan secured by a lien on real property for which he or she engages
4 in activity as a mortgage ~~broker~~ *company* includes a disclosure:

5 1. Describing, in a specific dollar amount, all fees earned by
6 the mortgage ~~broker~~ *company*;

7 2. Explaining which party is responsible for the payment of the
8 fees described in subsection 1; and

9 3. Explaining the probable impact the fees described in
10 subsection 1 may have on the terms of the loan, including, without
11 limitation, the interest rates.

12 **Sec. 42.** NRS 645B.307 is hereby amended to read as follows:

13 645B.307 A mortgage ~~broker~~ *company* shall ensure that each
14 loan secured by a lien on real property for which he or she engages
15 in activity as a mortgage ~~broker~~ *company* includes:

16 1. If the mortgage ~~broker~~ *company* is not registered with the
17 Registry, the license number of the mortgage ~~broker~~ *company*; or

18 2. Any identifying number issued by the Registry.

19 **Sec. 43.** NRS 645B.310 is hereby amended to read as follows:

20 645B.310 A mortgage ~~broker~~ *company* shall not assign all or
21 a part of his or her interest in a loan secured by a lien on real
22 property, unless the mortgage ~~broker~~ *company*:

23 1. Obtains a policy of title insurance for the real property;

24 2. Obtains the approval of the assignment from each investor
25 who has acquired ownership of or a beneficial interest in the loan if,
26 at the time of the assignment, the debtor on the loan has defaulted in
27 making a payment required for the loan or any portion of the loan;
28 and

29 3. Records the assignment in the office of the county recorder
30 of the county in which the real property is located.

31 **Sec. 44.** NRS 645B.320 is hereby amended to read as follows:

32 645B.320 If money from an investor is released to a debtor or
33 the debtor's designee pursuant to subsection 2 of NRS 645B.175
34 upon completion of a loan secured by a lien on real property, the
35 mortgage ~~broker~~ *company* that arranged the loan shall, not later
36 than 3 business days after the date on which the mortgage ~~broker~~
37 *company* receives a copy of the recorded deed of trust, mail to the
38 last known address of each investor who owns a beneficial interest
39 in the loan a copy of the recorded deed of trust.

40 **Sec. 45.** NRS 645B.330 is hereby amended to read as follows:

41 645B.330 1. A mortgage ~~broker~~ *company* or mortgage
42 ~~agent~~ *loan originator* shall not engage in any act or transaction on
43 behalf of a private investor pursuant to a power of attorney unless:



1 (a) The power of attorney is executed for the sole purpose of
2 providing services for not more than one specific loan in which the
3 private investor owns a beneficial interest; and

4 (b) The provisions of the power of attorney:

5 (1) Have been approved by the Commissioner;

6 (2) Expressly prohibit the mortgage ~~broker~~ company and
7 his or her mortgage ~~agents~~ loan originators from engaging in any
8 act or transaction that subordinates the priority of a recorded deed of
9 trust unless, before such an act or transaction, the mortgage ~~broker~~
10 company obtains written approval for the subordination from the
11 private investor;

12 (3) Expressly prohibit the mortgage ~~broker~~ company and
13 his or her mortgage ~~agents~~ loan originators from using or
14 releasing any money in which the private investor owns a beneficial
15 interest with regard to the specific loan for a purpose that is not
16 directly related to providing services for the loan unless, before any
17 such money is used or released for another purpose, the mortgage
18 ~~broker~~ company obtains written approval from the private investor
19 to use or release the money for the other purpose; and

20 (4) Expressly provide that the power of attorney is effective
21 only for the term of the specific loan unless the mortgage ~~broker~~
22 company obtains written approval from the private investor to
23 extend the term of the power of attorney to provide services for not
24 more than one other loan and the written approval:

25 (I) Identifies the loan for which the power of attorney was
26 executed; and

27 (II) Identifies the loan for which the written approval is
28 being given.

29 2. A mortgage ~~broker~~ company or mortgage ~~agent~~ loan
30 originator shall not act as the attorney-in-fact or the agent of a
31 private investor with respect to the giving of written approval
32 pursuant to paragraph (b) of subsection 1. A private investor and a
33 mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator
34 may not agree to alter or waive the provisions of this section by
35 contract or other agreement. Any such contract or agreement is void
36 and must not be given effect to the extent that it violates the
37 provisions of this section.

38 3. Except as otherwise provided in subsection 4, a power of
39 attorney which designates a mortgage ~~broker~~ company or
40 mortgage ~~agent~~ loan originator as the attorney-in-fact or the agent
41 of a private investor and which violates the provisions of this section
42 is void and must not be given effect with regard to any act or
43 transaction that occurs on or after October 1, 1999, whether or not
44 the power of attorney is or has been executed by the private investor
45 before, on or after October 1, 1999.



1 4. The provisions of subsection 3 do not apply to a power of
2 attorney that designates a mortgage ~~broker~~ *company* or mortgage
3 ~~agent~~ *loan originator* as the attorney-in-fact or the agent of a
4 private investor if the power of attorney:

5 (a) Was executed before July 1, 2001; and

6 (b) Complied with the provisions of this section that were in
7 effect on October 1, 1999.

8 5. The provisions of this section do not limit the right of a
9 private investor to include provisions in a power of attorney that are
10 more restrictive than the provisions set forth in subsection 1.

11 **Sec. 46.** NRS 645B.340 is hereby amended to read as follows:

12 645B.340 1. Except as otherwise provided by law or by
13 agreement between the parties and regardless of the date the
14 interests were created, if the beneficial interest in a loan or the
15 ownership interest in the real property previously securing the loan
16 belongs to more than one person, the holders of the beneficial
17 interest in a loan whose interests represent 51 percent or more of the
18 outstanding principal balance of the loan or the holders of 51
19 percent or more of the ownership interest in the real property, as
20 indicated on a trustee's deed upon sale recorded pursuant to
21 subsection 10 of NRS 107.080, a deed recorded pursuant to
22 subsection 5 of NRS 40.430 or a deed in lieu of foreclosure, and any
23 subsequent deed selling, transferring or assigning an ownership
24 interest, may act on behalf of all the holders of the beneficial
25 interests or ownership interests of record on matters which require
26 the action of the holders of the beneficial interests in the loan or the
27 ownership interests in the real property, including, without
28 limitation:

29 (a) The designation of a mortgage ~~broker~~ *company* or
30 mortgage ~~agent~~ *loan originator*, servicing agent or any other
31 person to act on behalf of all the holders of the beneficial interests or
32 ownership interests of record;

33 (b) The foreclosure of the property for which the loan was made;

34 (c) The subsequent sale, transfer, encumbrance or lease of real
35 property owned by the holders resulting from a foreclosure or the
36 receipt of a deed in lieu of a foreclosure in full satisfaction of a loan,
37 to a bona fide purchaser or encumbrancer for value;

38 (d) The release of any obligation under a loan in return for an
39 interest in equity in the real property or, if the loan was made to a
40 person other than a natural person, an interest in equity of that
41 entity; and

42 (e) The modification or restructuring of any term of the loan,
43 deed of trust or other document relating to the loan, including,
44 without limitation, changes to the maturity date, interest rate and the



1 acceptance of payment of less than the full amount of the loan and
2 any accrued interest in full satisfaction of the loan.

3 2. A person designated to act pursuant to subsection 1 on
4 behalf of the holders of the beneficial interest in a loan or the
5 ownership interest in real property shall, not later than 30 days
6 before the date on which the holders will determine whether or not
7 to act pursuant to subsection 1, send a written notice of the action to
8 each holder of a beneficial interest or ownership interest at the
9 holder's last known address, by a delivery service that provides
10 proof of delivery or evidence that the notice was sent. The written
11 notice must state:

12 (a) The actions that will be taken on behalf of the holders who
13 consent to an action pursuant to this section, if the holders of the
14 beneficial interest in a loan whose interests represent 51 percent or
15 more of the outstanding principal balance of the loan or the holders
16 of 51 percent or more of the ownership interest in the real property
17 act pursuant to subsection 1;

18 (b) The actions that will be taken on behalf of the holders who
19 do not consent to an action pursuant to this section, if the holders of
20 the beneficial interest in a loan whose interests represent 51 percent
21 or more of the outstanding principal balance of the loan or the
22 holders of 51 percent or more of the ownership interest in the real
23 property act pursuant to subsection 1; and

24 (c) The amount of the costs or, if an amount is unknown, an
25 estimate of the amount of the costs that will be allocated to, or due
26 from, the holder and deducted from any proceeds owed to the
27 holder.

28 3. If real property is sold, transferred, encumbered or leased
29 pursuant to paragraph (c) of subsection 1, any beneficial interest in
30 the loan or ownership interest in the real property of a holder who
31 does not consent to the sale, transfer, encumbrance or lease,
32 including, without limitation, any interest of a tenant in common
33 who does not consent to the sale, transfer, encumbrance or lease,
34 must be sold, transferred, encumbered or leased by a reference to
35 this section and by the signatures on the necessary documents of the
36 holders consenting to the sale, transfer, encumbrance or lease of the
37 real property. The holders consenting to the sale, transfer,
38 encumbrance or lease of the real property shall designate a
39 representative to sign any necessary documents on behalf of the
40 holders who do not consent to the sale, transfer, encumbrance or
41 lease and, if the representative maintains written evidence of the
42 consent of the number of holders described in subsection 1, the
43 representative is not liable for any action taken pursuant to this
44 subsection.



1 4. Any action which is taken pursuant to subsection 1 must be
2 in writing.

3 5. The provisions of this section do not apply to a transaction
4 involving two investors with equal interests.

5 **Sec. 47.** NRS 645B.350 is hereby amended to read as follows:

6 645B.350 A mortgage ~~broker~~ *company* shall not accept
7 money from an investor to acquire ownership of or a beneficial
8 interest in a loan which has more than one investor at the time of
9 origination unless the mortgage ~~broker~~ *company* provides to each
10 investor a form which allows the investor to choose one of the
11 following options:

12 1. That, upon receipt of a written request submitted by another
13 investor who owns or has a beneficial interest in the loan, the
14 mortgage ~~broker~~ *company* may provide to that other investor
15 the name, address, telephone number and electronic mail address of
16 the investor;

17 2. That, upon receipt of a written request submitted by another
18 investor who owns or has a beneficial interest in the loan, the
19 mortgage ~~broker~~ *company* may provide to that other investor
20 the name, address, telephone number and electronic mail address of
21 the investor only if the loan is in default; or

22 3. That the address, telephone number and electronic mail
23 address of the investor must remain confidential and that the
24 mortgage ~~broker~~ *company* may not provide that information to any
25 other investor unless the investor provides the mortgage ~~broker~~
26 *company* with subsequent written permission to provide such
27 information to other investors.

28 **Sec. 48.** NRS 645B.351 is hereby amended to read as follows:

29 645B.351 1. A mortgage ~~broker~~ *company* who makes or
30 arranges a loan shall not include in any loan document a provision
31 which requires a private investor to participate in binding arbitration
32 of disputes relating to the loan.

33 2. The provisions of this section may not be varied by
34 agreement, and the rights conferred by this section may not be
35 waived. Any provision included in a loan document agreement that
36 conflicts with this section is void.

37 **Sec. 49.** NRS 645B.352 is hereby amended to read as follows:

38 645B.352 1. Before servicing a loan in which a private
39 investor has acquired a beneficial interest, a mortgage ~~broker~~
40 *company* must enter into a written servicing agreement with each
41 investor which describes specifically the services which the
42 mortgage ~~broker~~ *company* will provide and the compensation the
43 mortgage ~~broker~~ *company* will receive for those services. The
44 compensation of the mortgage ~~broker~~ *company* must include an
45 amount reasonably necessary to pay the cost of servicing the loan.



1 2. A mortgage ~~broker~~ company shall include in each
2 servicing agreement provisions which:

3 (a) Require the mortgage ~~broker~~ company to:

4 (1) Deposit in a trust account all money paid to the mortgage
5 ~~broker~~ company in full or partial payment of a loan, unless a
6 provision of law authorizes the mortgage ~~broker~~ company to
7 deposit such money in a different manner;

8 (2) Release to the investors, pursuant to paragraph (a) of
9 subsection 5 of NRS 645B.175, within 15 days after receipt of all
10 money paid to the mortgage ~~broker~~ company in full or partial
11 payment of a loan;

12 (3) Record a request for special notice and notice of default
13 for any encumbrance on the real property which has priority over
14 the lien securing the loan or any other real property securing the
15 loan;

16 (4) Provide to each investor prompt written notice of:

17 (I) Any lis pendens, mechanic's lien or other lien
18 recorded against the real property securing the loan after the
19 origination of the loan if the mortgage ~~broker~~ company has
20 become aware that such an instrument has been recorded; and

21 (II) Any delinquent taxes or insurance premiums;

22 (5) Upon receiving a written request from an investor for a
23 tally of any vote of the investors, provide to the investor a statement
24 of the number of investors voting in favor of an action and the
25 number of investors voting against the action and the percentage of
26 beneficial interest represented by each such vote; and

27 (6) Respond within a reasonable time under the
28 circumstances to the request of the borrower or investor to correct
29 any errors relating to the loan.

30 (b) Prohibit the mortgage ~~broker~~ company from:

31 (1) Commingling with the assets of the mortgage ~~broker~~
32 company any money paid to the mortgage ~~broker~~ company in full
33 or partial payment of a loan, unless a provision of law authorizes
34 such commingling;

35 (2) Using money paid to the mortgage ~~broker~~ company in
36 full or partial payment of a loan for any transaction other than the
37 servicing transaction for which the money was paid, unless a
38 provision of law authorizes such use; or

39 (3) Requiring an investor to participate in binding arbitration
40 of disputes relating to the loan.

41 (c) Allow the majority of investors or the mortgage ~~broker~~
42 company to transfer the servicing agreement to another entity
43 authorized to service loans or terminate the servicing agreement for
44 any reason, upon providing written notice at least 30 days before the
45 effective date of the transfer or termination.



1 **Sec. 50.** NRS 645B.353 is hereby amended to read as follows:
2 645B.353 Except as otherwise permitted by law, a mortgage
3 ~~broker~~ *company* shall not release a borrower or guarantor from
4 personal liability for a loan unless a majority of the investors
5 approve such a release.

6 **Sec. 51.** NRS 645B.354 is hereby amended to read as follows:
7 645B.354 1. If an investor owes money to the mortgage
8 ~~broker~~ *company* who is servicing a loan or to other investors, the
9 mortgage ~~broker~~ *company* shall not withhold money due the
10 investor in order to offset the money owed to the mortgage ~~broker~~
11 *company* or to another investor, unless:

12 (a) The mortgage ~~broker~~ *company* obtains the written consent
13 of the investor who owes the money; or

14 (b) A court order requires the mortgage ~~broker~~ *company* to
15 withhold the money.

16 2. A mortgage ~~broker~~ *company* may include in a loan
17 servicing agreement a provision which provides written consent to
18 withhold money due an investor in order to offset money owed by
19 the investor to the mortgage ~~broker~~ *company* or other investors.

20 **Sec. 52.** NRS 645B.355 is hereby amended to read as follows:
21 645B.355 A mortgage ~~broker~~ *company* shall not act as a
22 construction control with respect to money belonging to a borrower
23 or investor. If a borrower or investor wishes to utilize a construction
24 control for money belonging to the borrower or investor, a mortgage
25 ~~broker~~ *company* must place the money with a person who is
26 independent of the mortgage ~~broker~~ *company* and is licensed or
27 authorized to accept such money. The money must be subject to the
28 control of a construction control which is in compliance with, or
29 exempt from, the provisions of NRS 627.180 or 627.183.

30 **Sec. 53.** NRS 645B.356 is hereby amended to read as follows:
31 645B.356 1. A mortgage ~~broker~~ *company* shall not place or
32 arrange to place a private investor into a limited-liability company,
33 business trust or other entity before or after foreclosure of the real
34 property securing the loan, or receipt of a deed in lieu of foreclosure
35 in full satisfaction of a loan secured by the real property, unless the
36 mortgage ~~broker~~ *company*:

37 (a) Provides a copy of the organizational documents of the
38 limited-liability company, business trust or other entity to each
39 investor not later than 5 days before the transfer of the interest in the
40 loan or the interest in the real property;

41 (b) Obtains the written authorization of a sufficient number of
42 the investors to act on behalf of all the investors pursuant to NRS
43 645B.340; and



1 (c) Obtains the written authorization of each investor consenting
2 to the transfer of his or her interest in the loan or in the real property
3 to the limited-liability company, business trust or other entity.

4 2. If a private investor is placed into a limited-liability
5 company, business trust or other entity pursuant to subsection 1, any
6 beneficial interest in a loan or ownership interest in real property of
7 the private investor who does not consent to the placement,
8 including, without limitation, any interest of a tenant in common
9 who does not consent to the placement, must be placed in the
10 limited-liability company, business trust or other entity by a
11 reference to this section and by the signatures on the necessary
12 documents of the investors consenting to the placement. The
13 investors who consent to an action pursuant to subsection 1 shall
14 designate a representative to sign any necessary documents on
15 behalf of the investors who do not consent to the action, and if
16 the representative maintains written evidence of the consent of the
17 number of investors described in paragraph (b) of subsection 1, the
18 representative is not liable for any action taken pursuant to this
19 subsection.

20 3. The documents provided to each investor pursuant to
21 paragraph (a) of subsection 1 must clearly and concisely state any
22 fees which will be paid to the mortgage ~~broker~~ *company* by
23 the limited-liability company, business trust or other entity, and the
24 sections of the documents that state fees must be initialed by the
25 investor and any representative designated pursuant to subsection 2.

26 4. A mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan*
27 *originator* shall not act as the attorney-in-fact or the agent of a
28 private investor for the signing or dating of the written
29 authorization.

30 5. Any term of a contract or other agreement that attempts to
31 alter or waive the requirements of this section is void.

32 **Sec. 54.** NRS 645B.357 is hereby amended to read as follows:

33 645B.357 1. A mortgage ~~broker~~ *company* shall not assess
34 or collect any fee which is not:

35 (a) Authorized by the loan documents or loan servicing
36 agreement; and

37 (b) Assessed or collected in exchange for bona fide services
38 rendered or costs incurred.

39 2. A mortgage ~~broker~~ *company* shall apply all fees collected
40 in the manner set forth in the loan documents or loan servicing
41 agreement.

42 **Sec. 55.** NRS 645B.400 is hereby amended to read as follows:

43 645B.400 A person shall not act as or provide any of the
44 services of a mortgage ~~agent or~~ *loan originator*, otherwise engage
45 in, carry on or hold himself or herself out as engaging in or carrying



1 on the activities of a mortgage ~~agent~~ *loan originator or supervise*
2 *a mortgage loan originator* unless the person:

3 1. Has a license as a mortgage ~~agent~~ *loan originator* issued
4 pursuant to NRS 645B.410 ~~†~~

5 ~~2. Is:~~

6 ~~(a) If the person is not a loan processor who is an independent~~
7 ~~contractor, an employee of a mortgage broker or mortgage banker;~~
8 ~~or~~

9 ~~(b) An† to 645B.460, inclusive, or is an~~ employee of or
10 associated with a person who holds a certificate of exemption
11 pursuant to NRS 645B.016.

12 ~~†~~ 2. If the person is required to register with the Registry:

13 (a) Is an employee of and whose sponsorship has been entered
14 with the Registry by a mortgage ~~broker, mortgage banker~~
15 *company* or person who holds a certificate of exemption pursuant to
16 NRS 645B.016 as required by subsection 2 of NRS 645B.450; and

17 (b) Is registered with and provides any identifying number
18 issued by the Registry.

19 **Sec. 56.** NRS 645B.405 is hereby amended to read as follows:

20 645B.405 A mortgage ~~broker~~ *company* or qualified employee
21 who wishes to engage in activities as a residential mortgage loan
22 originator or to supervise a mortgage ~~agent~~ *loan originator* who
23 engages in activities as a residential mortgage loan originator must
24 obtain and maintain a license as a mortgage ~~agent~~ *loan originator*
25 pursuant to the provisions of NRS 645B.400 to 645B.460, inclusive.

26 **Sec. 57.** NRS 645B.410 is hereby amended to read as follows:

27 645B.410 1. To obtain a license as a mortgage ~~agent,~~ *loan*
28 *originator*, a person must:

29 (a) Be a natural person;

30 (b) File a written application for a license as a mortgage ~~agent~~
31 *loan originator* with the Office of the Commissioner;

32 (c) Comply with the applicable requirements of this chapter;

33 (d) Pay an application fee set by the Commissioner of not more
34 than \$185; and

35 (e) Be:

36 (1) Employed by, or have received an offer of employment
37 from, a mortgage ~~broker;~~

38 ~~(2) Employed by, or have received an offer of employment~~
39 ~~from, a mortgage banker;~~

40 ~~(3)† company;~~

41 (2) Associated with or employed by, or have received an
42 offer of a contract with or an offer of employment from, a person
43 who holds a certificate of exemption pursuant to NRS 645B.016; or

44 ~~†(4)†~~ (3) A loan processor who is not an employee and who
45 is associated with, or has received an offer of a contract with, a



1 mortgage ~~broker, mortgage banker~~ *company* or person who holds
2 a certificate of exemption pursuant to NRS 645B.016.

3 2. An application for a license as a mortgage ~~agent~~ *loan*
4 *originator* must:

5 (a) State the name and residence address of the applicant;

6 (b) Include a provision by which the applicant gives written
7 consent to the Division and, if applicable, the Registry for an
8 investigation of his or her credit history, criminal history and
9 background;

10 (c) Unless fingerprints were submitted to the Registry, include a
11 complete set of fingerprints which the Division may forward to the
12 Central Repository for Nevada Records of Criminal History for
13 submission to the Federal Bureau of Investigation for its report;

14 (d) Include a verified statement from the mortgage ~~broker,~~
15 ~~mortgage banker~~ *company* or person who holds a certificate of
16 exemption pursuant to NRS 645B.016 with whom the applicant will
17 be associated or employed that expresses the intent of that mortgage
18 ~~broker, mortgage banker~~ *company* or exempt person to employ or
19 associate the applicant with the mortgage ~~broker, mortgage banker~~
20 *company* or exempt person and to be responsible for the activities of
21 the applicant as a mortgage ~~agent~~ *loan originator*; and

22 (e) Include any other information or supporting materials
23 required pursuant to the regulations adopted by the Commissioner,
24 by an order of the Commissioner or, if applicable, by the Registry.
25 Such information or supporting materials may include, without
26 limitation, other forms of identification of the person.

27 3. Except as otherwise provided by law, the Commissioner
28 shall issue a license as a mortgage ~~agent~~ *loan originator* to an
29 applicant if:

30 (a) The application is verified by the Commissioner and
31 complies with the applicable requirements of this chapter, other
32 applicable law and, if applicable, the Registry; and

33 (b) The applicant:

34 (1) Has not been convicted of, or entered or agreed to enter a
35 plea of guilty or nolo contendere to, a felony in a domestic, foreign
36 or military court within the 7 years immediately preceding the date
37 of the application, or at any time if such felony involved an act of
38 fraud, dishonesty or a breach of trust, money laundering or moral
39 turpitude;

40 (2) Has never had a license or registration as a mortgage
41 agent, mortgage banker, mortgage broker, *mortgage company,*
42 *mortgage loan originator* or residential mortgage loan originator
43 revoked in this State or any other jurisdiction, or had a financial
44 services license revoked within the immediately preceding 10 years;



1 (3) Has not made a false statement of material fact on his or
2 her application;

3 (4) Has not violated any provision of this chapter , ~~for~~
4 ~~chapter 645E of NRS,~~ a regulation adopted pursuant thereto or an
5 order of the Commissioner; and

6 (5) Has demonstrated financial responsibility, character and
7 general fitness so as to command the confidence of the community
8 and warrant a determination that the applicant will operate honestly,
9 fairly and efficiently for the purposes of this chapter.

10 4. Money received by the Commissioner pursuant to this
11 section is in addition to any fee required to be paid to the Registry
12 and must be deposited in the Account for Mortgage Lending created
13 by NRS 645F.270.

14 5. The Commissioner may require the submission of an item or
15 the payment of a fee required by this section directly to the
16 Commissioner or, if the person submitting the item or fee is required
17 to register or voluntarily registers with the Registry, to the
18 Commissioner through the Registry.

19 **Sec. 57.5.** NRS 645B.420 is hereby amended to read as
20 follows:

21 645B.420 1. In addition to any other requirements set forth in
22 this chapter:

23 (a) An applicant for the issuance of a license as a mortgage
24 ~~agent~~ *loan originator* pursuant to this chapter shall include the
25 social security number of the applicant in the application submitted
26 to the Commissioner.

27 (b) An applicant for the issuance or renewal of a license as a
28 mortgage ~~agent~~ *loan originator* pursuant to this chapter shall
29 submit to the Commissioner the statement prescribed by the
30 Division of Welfare and Supportive Services of the Department of
31 Health and Human Services pursuant to NRS 425.520. The
32 statement must be completed and signed by the applicant.

33 2. The Commissioner shall include the statement required
34 pursuant to subsection 1 in:

35 (a) The application or any other forms that must be submitted
36 for the issuance or renewal of a license as a mortgage ~~agent~~ *loan*
37 *originator*; or

38 (b) A separate form prescribed by the Commissioner.

39 3. The license as a mortgage ~~agent~~ *loan originator* may not
40 be issued or renewed by the Commissioner if the applicant:

41 (a) Fails to submit the statement required pursuant to subsection
42 1; or

43 (b) Indicates on the statement submitted pursuant to subsection
44 1 that the applicant is subject to a court order for the support of a
45 child and is not in compliance with the order or a plan approved by



1 the district attorney or other public agency enforcing the order for
2 the repayment of the amount owed pursuant to the order.

3 4. If an applicant indicates on the statement submitted pursuant
4 to subsection 1 that the applicant is subject to a court order for the
5 support of a child and is not in compliance with the order or a plan
6 approved by the district attorney or other public agency enforcing
7 the order for the repayment of the amount owed pursuant to the
8 order, the Commissioner shall advise the applicant to contact the
9 district attorney or other public agency enforcing the order to
10 determine the actions that the applicant may take to satisfy the
11 arrearage.

12 **Sec. 58.** NRS 645B.430 is hereby amended to read as follows:

13 645B.430 1. A license as a mortgage ~~agent~~ *loan originator*
14 issued pursuant to NRS 645B.410 expires each year on December
15 31, unless it is renewed. To renew a license as a mortgage ~~agent~~
16 *loan originator*, the holder of the license must continue to meet the
17 requirements of subsection 3 of NRS 645B.410 and must submit to
18 the Commissioner on or after November 1 and on or before
19 December 31 of each year, or on a date otherwise specified by the
20 Commissioner by regulation:

21 (a) An application for renewal;

22 (b) Except as otherwise provided in this section, satisfactory
23 proof that the holder of the license as a mortgage ~~agent~~ *loan*
24 *originator* attended at least 10 hours of certified courses of
25 continuing education during the 12 months immediately preceding
26 the date on which the license expires; and

27 (c) A renewal fee set by the Commissioner of not more than
28 \$170.

29 2. In lieu of the continuing education requirement set forth in
30 paragraph (b) of subsection 1, the holder of a license as a mortgage
31 ~~agent~~ *loan originator* who, pursuant to subsection 1 of NRS
32 645F.267, is not required to register or renew with the Registry and
33 who has not voluntarily registered or renewed with the Registry
34 must submit to the Commissioner satisfactory proof that he or she
35 attended at least 5 hours of certified courses of continuing education
36 during the 12 months immediately preceding the date on which the
37 license expires. The hours of continuing education required by this
38 subsection must include:

39 (a) At least 3 hours relating to the laws and regulations of this
40 State; and

41 (b) At least 2 hours relating to ethics.

42 3. If the holder of the license as a mortgage ~~agent~~ *loan*
43 *originator* fails to submit any item required pursuant to subsection 1
44 or 2 to the Commissioner on or after November 1 and on or before
45 December 31 of any year, unless a different date is specified by the



1 Commissioner by regulation, the license is cancelled as of
2 December 31 of that year. The Commissioner may reinstate a
3 cancelled license if the holder of the license submits to the
4 Commissioner on or before February 28 of the following year:

5 (a) An application for renewal;

6 (b) The fee required to renew the license pursuant to this
7 section; and

8 (c) A reinstatement fee of \$75.

9 4. To change the mortgage ~~broker~~ *company* with whom the
10 mortgage ~~agent~~ *loan originator* is associated, a person must pay a
11 fee in an amount prescribed by regulation of the Commissioner, not
12 to exceed \$50.

13 5. Money received by the Commissioner pursuant to this
14 section is in addition to any fee that must be paid to the Registry and
15 must be deposited in the Account for Mortgage Lending created by
16 NRS 645F.270.

17 6. The Commissioner may require a licensee to submit an item
18 or pay a fee required by this section directly to the Division or, if the
19 licensee is required to register or voluntarily registers with the
20 Registry, to the Division through the Registry.

21 7. Nothing in this section shall be construed as preventing the
22 Commissioner from renewing the license of a mortgage ~~agent~~ *loan*
23 *originator* who does not satisfy the criteria set forth in paragraph (e)
24 of subsection 1 of NRS 645B.410 at the time of the application for
25 renewal.

26 8. As used in this section, "certified course of continuing
27 education" has the meaning ascribed to it in NRS 645B.051.

28 **Sec. 59.** NRS 645B.450 is hereby amended to read as follows:

29 645B.450 1. A person licensed as a mortgage ~~agent~~ *loan*
30 *originator* pursuant to the provisions of NRS 645B.410 may not be
31 associated with or employed by more than one licensed or registered
32 mortgage ~~broker or mortgage banker~~ *company* or person who
33 holds a certificate of exemption pursuant to NRS 645B.016 at the
34 same time.

35 2. A mortgage ~~broker, mortgage banker~~ *company* or person
36 who holds a certificate of exemption pursuant to NRS 645B.016
37 shall not associate with or employ a person as a mortgage ~~agent~~
38 *loan originator* or authorize a person to be associated with the
39 mortgage ~~broker, mortgage banker~~ *company* or exempt person
40 who holds a certificate of exemption pursuant to NRS 645B.016 as a
41 mortgage ~~agent~~ *loan originator* if the mortgage ~~agent~~ *loan*
42 *originator* is not licensed with the Division pursuant to NRS
43 645B.410. Before allowing a mortgage ~~agent~~ *loan originator* to
44 act on its behalf, a mortgage ~~broker, mortgage banker~~ *company* or



1 person who holds a certificate of exemption pursuant to NRS
2 645B.016, must:

3 (a) Enter its sponsorship of the mortgage ~~agent~~ *loan originator*
4 with the Registry; or

5 (b) If the mortgage ~~agent~~ *loan originator* is not required to be
6 registered with the Registry, notify the Division of its sponsorship
7 of the mortgage ~~agent~~ *loan originator*.

8 3. If a mortgage ~~agent~~ *loan originator* terminates his or her
9 association or employment with a mortgage ~~broker, mortgage~~
10 ~~banker~~ *company* or exempt person who holds a certificate of
11 exemption pursuant to NRS 645B.016 for any reason, the mortgage
12 ~~broker, mortgage-banker~~ *company* or person who holds a
13 certificate of exemption pursuant to NRS 645B.016 shall, not later
14 than the third business day following the date of termination:

15 (a) Remove its sponsorship of the mortgage ~~agent~~ *loan*
16 *originator* from the Registry; or

17 (b) If the mortgage ~~agent~~ *loan originator* is not required to be
18 registered with the Registry, deliver to the Division and to the
19 mortgage ~~agent~~ *loan originator* at the last known residence
20 address of the mortgage ~~agent~~ *loan originator* a written statement
21 which includes the name, address and license number of the
22 mortgage ~~agent~~ *loan originator* and a statement of the
23 circumstances of the termination.

24 **Sec. 60.** NRS 645B.460 is hereby amended to read as follows:

25 645B.460 1. A mortgage ~~broker~~ *company* shall exercise
26 reasonable supervision and control over the activities of his or her
27 mortgage ~~agents~~ *loan originators* and must also be licensed as a
28 mortgage ~~agent~~ *loan originator* if required pursuant to NRS
29 645B.405. Such reasonable supervision and control must include, as
30 appropriate:

31 (a) The establishment of written policies and procedures for the
32 mortgage ~~agents~~ *loan originators*;

33 (b) The establishment of a system to review, oversee and inspect
34 the activities of the mortgage ~~agents~~ *loan originators*, including,
35 without limitation:

36 (1) Transactions handled by the mortgage ~~agents~~ *loan*
37 *originators* pursuant to this chapter;

38 (2) Communications between the mortgage ~~agents~~ *loan*
39 *originators* and a party to such a transaction;

40 (3) Documents prepared by the mortgage ~~agents~~ *loan*
41 *originators* that may have a material effect upon the rights or
42 obligations of a party to such a transaction; and

43 (4) The handling by the mortgage ~~agents~~ *loan originators*
44 of any fee, deposit or money paid to the mortgage ~~broker~~ *company*
45 or the mortgage ~~agents~~ *loan originators* or held in trust by the



1 mortgage ~~{broker}~~ *company* or the mortgage ~~{agents}~~ *loan*
2 *originators* pursuant to this chapter; and

3 (c) The establishment of a system of reporting to the Division of
4 any fraudulent activity engaged in by any of the mortgage ~~{agents}~~
5 *loan originators*.

6 2. The Commissioner shall allow a mortgage ~~{broker}~~
7 *company* to take into consideration the total number of mortgage
8 ~~{agents}~~ *loan originators* associated with or employed by the
9 mortgage ~~{broker}~~ *company* when the mortgage ~~{broker}~~ *company*
10 determines the form and extent of the policies and procedures for
11 those mortgage ~~{agents}~~ *loan originators* and the system to review,
12 oversee and inspect the activities of those mortgage ~~{agents}~~ *loan*
13 *originators*.

14 3. The Commissioner may adopt regulations prescribing
15 standards for determining whether a mortgage ~~{broker}~~ *company*
16 has exercised reasonable supervision and control over the activities
17 of a mortgage ~~{agent}~~ *loan originator* pursuant to this section.

18 **Sec. 61.** NRS 645B.490 is hereby amended to read as follows:

19 645B.490 Except as otherwise required by the Registry for
20 persons who are required to register or voluntarily register with the
21 Registry:

22 1. Any mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan*
23 *originator* licensed under the provisions of this chapter who is
24 called into the military service of the United States shall, at his or
25 her request, be relieved from compliance with the provisions of this
26 chapter and placed on inactive status for the period of such military
27 service and for a period of 6 months after discharge therefrom.

28 2. At any time within 6 months after termination of such
29 service, if the mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan*
30 *originator* complies with the provisions of subsection 1, the
31 mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan originator*
32 may be reinstated, without having to meet any qualification or
33 requirement other than the payment of the reinstatement fee, as
34 provided in NRS 645B.050 or 645B.430, and the mortgage ~~{broker}~~
35 *company* or mortgage ~~{agent}~~ *loan originator* is not required to
36 make payment of the renewal fee for the current year.

37 3. Any mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan*
38 *originator* seeking to qualify for reinstatement, as provided in
39 subsections 1 and 2, must present a certified copy of his or her
40 honorable discharge or certificate of satisfactory service to the
41 Commissioner.

42 **Sec. 62.** NRS 645B.620 is hereby amended to read as follows:

43 645B.620 1. Whether or not a complaint has been filed, the
44 Commissioner ~~{shall}~~ *may* investigate a mortgage ~~{broker}~~



1 *company*, mortgage ~~agent~~ *loan originator* or other person if, for
2 any reason, it appears that:

3 (a) The mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan*
4 *originator* is conducting business in an unsafe and injurious manner
5 or in violation of any provision of this chapter, a regulation adopted
6 pursuant to this chapter or an order of the Commissioner;

7 (b) The person is offering or providing any of the services of a
8 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* or
9 otherwise engaging in, carrying on or holding himself or herself out
10 as engaging in or carrying on the business of a mortgage ~~broker~~
11 *company* or mortgage ~~agent~~ *loan originator* without being
12 appropriately licensed or exempt from licensing pursuant to the
13 provisions of this chapter; or

14 (c) The person is violating any other provision of this chapter, a
15 regulation adopted pursuant to this chapter or an order of the
16 Commissioner.

17 2. If, upon investigation, the Commissioner has reasonable
18 cause to believe that the mortgage ~~broker,~~ *company*, mortgage
19 ~~agent~~ *loan originator* or other person has engaged in any conduct
20 or committed any violation described in subsection 1:

21 (a) The Commissioner shall notify the Attorney General of the
22 conduct or violation and, if applicable, the Commissioner shall
23 immediately take possession of the property of the mortgage
24 ~~broker~~ *company* pursuant to NRS 645B.630; and

25 (b) The Attorney General shall, if appropriate:

26 (1) Investigate and prosecute the mortgage ~~broker,~~
27 *company*, mortgage ~~agent~~ *loan originator* or other person
28 pursuant to NRS 645B.800; and

29 (2) Bring a civil action to:

30 (I) Enjoin the mortgage ~~broker,~~ *company*, mortgage
31 ~~agent~~ *loan originator* or other person from engaging in the
32 conduct, operating the business or committing the violation; and

33 (II) Enjoin any other person who has encouraged,
34 facilitated, aided or participated in the conduct, the operation of the
35 business or the commission of the violation, or who is likely to
36 engage in such acts, from engaging in or continuing to engage in
37 such acts.

38 3. If the Attorney General brings a civil action pursuant to
39 subsection 2, the district court of any county of this State is hereby
40 vested with the jurisdiction in equity to enjoin the conduct, the
41 operation of the business or the commission of the violation and
42 may grant any injunctions that are necessary to prevent and restrain
43 the conduct, the operation of the business or the commission of the
44 violation. During the pendency of the proceedings before the district
45 court:



1 (a) The court may issue any temporary restraining orders as may
2 appear to be just and proper;

3 (b) The findings of the Commissioner shall be deemed to be
4 prima facie evidence and sufficient grounds, in the discretion of the
5 court, for the ex parte issuance of a temporary restraining order; and

6 (c) The Attorney General may apply for and on due showing is
7 entitled to have issued the court's subpoena requiring forthwith the
8 appearance of any person to:

9 (1) Produce any documents, books and records as may
10 appear necessary for the hearing of the petition; and

11 (2) Testify and give evidence concerning the conduct
12 complained of in the petition.

13 **Sec. 63.** NRS 645B.630 is hereby amended to read as follows:

14 645B.630 1. In addition to any other action that is required or
15 permitted pursuant to this chapter, if the Commissioner has
16 reasonable cause to believe that:

17 (a) The assets or capital of a mortgage ~~broker~~ company are
18 impaired; or

19 (b) A mortgage ~~broker~~ company is conducting business in an
20 unsafe and injurious manner that may result in danger to the public,
21 → the Commissioner ~~shall~~ may immediately take possession of all
22 the property, business and assets of the mortgage ~~broker~~ company
23 that are located in this State and shall retain possession of them
24 pending further proceedings provided for in this chapter.

25 2. If the licensee, the board of directors or any officer or person
26 in charge of the offices of the mortgage ~~broker~~ company refuses to
27 permit the Commissioner to take possession of the property of the
28 mortgage ~~broker~~ company pursuant to subsection 1:

29 (a) The Commissioner shall notify the Attorney General; and

30 (b) The Attorney General shall immediately bring such
31 proceedings as may be necessary to place the Commissioner in
32 immediate possession of the property of the mortgage ~~broker~~
33 company.

34 3. If the Commissioner takes possession of the property of the
35 mortgage ~~broker~~ company, the Commissioner shall:

36 (a) Make or have made an inventory of the assets and known
37 liabilities of the mortgage ~~broker~~ company;

38 (b) File one copy of the inventory in the office of the
39 Commissioner and one copy in the office of the clerk of the district
40 court of the county in which the principal office of the mortgage
41 ~~broker~~ company is located and shall mail one copy to each
42 stockholder, partner, officer, director or associate of the mortgage
43 ~~broker~~ company at his or her last known address; and

44 (c) If the mortgage ~~broker~~ company maintains any accounts
45 described in NRS 645B.175, not later than 5 business days after the



1 date on which the Commissioner takes possession of the property of
2 the mortgage ~~broker~~ company, mail notice of the possession to
3 the last known address of each person whose money is deposited in
4 such an account or whose money was or should have been deposited
5 in such an account during the preceding 12 months.

6 4. The clerk of the court with which the copy of the inventory
7 is filed shall file it as any other case or proceeding pending in the
8 court and shall give it a docket number.

9 **Sec. 64.** NRS 645B.640 is hereby amended to read as follows:

10 645B.640 1. If the Commissioner takes possession of the
11 property of a mortgage ~~broker~~ company pursuant to NRS
12 645B.630, the licensee, officers, directors, partners, associates or
13 stockholders of the mortgage ~~broker~~ company may, within 60 days
14 after the date on which the Commissioner takes possession of the
15 property, make good any deficit in the assets or capital of the
16 mortgage ~~broker~~ company or remedy any unsafe and injurious
17 conditions or practices of the mortgage ~~broker~~ company.

18 2. At the expiration of the 60-day period, if the deficiency in
19 assets or capital has not been made good or the unsafe and injurious
20 conditions or practices remedied, the Commissioner may apply to
21 the court to be appointed receiver and proceed to liquidate the assets
22 of the mortgage ~~broker~~ company which are located in this State in
23 the same manner as now provided by law for liquidation of a private
24 corporation in receivership.

25 3. No other person may be appointed receiver by any court
26 without first giving the Commissioner ample notice of his or her
27 application.

28 4. The inventory made by the Commissioner and all claims
29 filed by creditors are open at all reasonable times for inspection, and
30 any action taken by the receiver upon any of the claims is subject to
31 the approval of the court before which the cause is pending.

32 5. The expenses of the receiver and compensation of counsel,
33 as well as all expenditures required in the liquidation proceedings,
34 must be fixed by the Commissioner subject to the approval of the
35 court and, upon certification of the Commissioner, must be paid out
36 of the money in his or her hands as the receiver.

37 **Sec. 65.** NRS 645B.670 is hereby amended to read as follows:

38 645B.670 1. Except as otherwise provided in NRS 645B.690:

39 (a) For each violation committed by an applicant for a license
40 issued pursuant to this chapter, whether or not the applicant is issued
41 a license, the Commissioner may impose upon the applicant an
42 administrative fine of not more than \$25,000 if the applicant:

43 (1) Has knowingly made or caused to be made to the
44 Commissioner any false representation of material fact;



1 (2) Has suppressed or withheld from the Commissioner any
2 information which the applicant possesses and which, if submitted
3 by the applicant, would have rendered the applicant ineligible to be
4 licensed pursuant to the provisions of this chapter; or

5 (3) Has violated any provision of this chapter, a regulation
6 adopted pursuant to this chapter or an order of the Commissioner in
7 completing and filing his or her application for a license or during
8 the course of the investigation of his or her application for a license.

9 (b) For each violation committed by a mortgage ~~broker~~
10 *company*, the Commissioner may impose upon the mortgage
11 ~~broker~~ *company* an administrative fine of not more than \$25,000,
12 may suspend, revoke or place conditions upon the mortgage
13 ~~broker's~~ *company's* license, or may do both, if the mortgage
14 ~~broker~~ *company*, whether or not acting as such:

15 (1) Is insolvent;

16 (2) Is grossly negligent or incompetent in performing any act
17 for which the mortgage ~~broker~~ *company* is required to be licensed
18 pursuant to the provisions of this chapter;

19 (3) Does not conduct his or her business in accordance with
20 law or has violated any provision of this chapter, a regulation
21 adopted pursuant to this chapter or an order of the Commissioner;

22 (4) Is in such financial condition that the mortgage ~~broker~~
23 *company* cannot continue in business with safety to his or her
24 customers;

25 (5) Has made a material misrepresentation in connection
26 with any transaction governed by this chapter;

27 (6) Has suppressed or withheld from a client any material
28 facts, data or other information relating to any transaction governed
29 by the provisions of this chapter which the mortgage ~~broker~~
30 *company* knew or, by the exercise of reasonable diligence, should
31 have known;

32 (7) Has knowingly made or caused to be made to the
33 Commissioner any false representation of material fact or has
34 suppressed or withheld from the Commissioner any information
35 which the mortgage ~~broker~~ *company* possesses and which, if
36 submitted by the mortgage ~~broker~~ *company*, would have rendered
37 the mortgage ~~broker~~ *company* ineligible to be licensed pursuant to
38 the provisions of this chapter;

39 (8) Has failed to account to persons interested for all money
40 received for a trust account;

41 (9) Has refused to permit an examination by the
42 Commissioner of his or her books and affairs or has refused or
43 failed, within a reasonable time, to furnish any information or make
44 any report that may be required by the Commissioner pursuant to



1 the provisions of this chapter or a regulation adopted pursuant to this
2 chapter;

3 (10) Has been convicted of, or entered or agreed to enter a
4 plea of guilty or nolo contendere to, a felony in a domestic, foreign
5 or military court within the 7 years immediately preceding the date
6 of the application, or at any time if such felony involved an act of
7 fraud, dishonesty or a breach of trust, moral turpitude or money
8 laundering;

9 (11) Has refused or failed to pay, within a reasonable time,
10 any fees, assessments, costs or expenses that the mortgage ~~broker~~
11 *company* is required to pay pursuant to this chapter or a regulation
12 adopted pursuant to this chapter;

13 (12) Has failed to satisfy a claim made by a client which has
14 been reduced to judgment;

15 (13) Has failed to account for or to remit any money of a
16 client within a reasonable time after a request for an accounting or
17 remittal;

18 (14) Has commingled the money or other property of a client
19 with his or her own or has converted the money or property of
20 others to his or her own use;

21 (15) Has engaged in any other conduct constituting a
22 deceitful, fraudulent or dishonest business practice;

23 (16) Has repeatedly violated the policies and procedures of
24 the mortgage ~~broker~~ *company*;

25 (17) Has failed to exercise reasonable supervision and
26 control over the activities of a mortgage ~~agent~~ *loan originator* as
27 required by NRS 645B.460;

28 (18) Has instructed a mortgage ~~agent~~ *loan originator* to
29 commit an act that would be cause for the revocation of the license
30 of the mortgage ~~broker~~ *company*, whether or not the mortgage
31 ~~agent~~ *loan originator* commits the act;

32 (19) Has employed a person as a mortgage ~~agent~~ *loan*
33 *originator* or authorized a person to be associated with the mortgage
34 ~~broker~~ *company* as a mortgage ~~agent~~ *loan originator* at a time
35 when the mortgage ~~broker~~ *company* knew or, in light of all the
36 surrounding facts and circumstances, reasonably should have known
37 that the person:

38 (I) Had been convicted of, or entered or agreed to enter a
39 plea of guilty or nolo contendere to, a felony in a domestic, foreign
40 or military court within the 7 years immediately preceding the date
41 of application, or at any time if such felony involved an act of fraud,
42 dishonesty or a breach of trust, moral turpitude or money
43 laundering; or

44 (II) Had a license or registration as a mortgage agent,
45 mortgage banker, mortgage broker, *mortgage company, mortgage*



- 1 *loan originator* or residential mortgage loan originator revoked in
2 this State or any other jurisdiction or had a financial services license
3 or registration revoked within the immediately preceding 10 years;
- 4 (20) Has violated NRS 645C.557;
- 5 (21) Has failed to pay a tax as required pursuant to the
6 provisions of chapter 363A or 363C of NRS; or
- 7 (22) Has, directly or indirectly, paid any commission, fees,
8 points or any other compensation as remuneration for the services of
9 a mortgage ~~agent~~ *loan originator* to a person other than a
10 mortgage ~~agent~~ *loan originator* who:
- 11 (I) Is an employee of or associated with the mortgage
12 ~~broker;~~ *company*; or
- 13 (II) If the mortgage ~~agent~~ *loan originator* is required to
14 register with the Registry, is an employee of and whose sponsorship
15 has been entered with the Registry by the mortgage ~~broker~~
16 *company* as required by subsection 2 of NRS 645B.450.
- 17 (c) For each violation committed by a mortgage ~~agent;~~ *loan*
18 *originator*, the Commissioner may impose upon the mortgage
19 ~~agent~~ *loan originator* an administrative fine of not more than
20 \$25,000, may suspend, revoke or place conditions upon the
21 mortgage ~~agent's~~ *loan originator's* license, or may do both, if the
22 mortgage ~~agent~~ *loan originator*, whether or not acting as such:
- 23 (1) Is grossly negligent or incompetent in performing any act
24 for which the mortgage ~~agent~~ *loan originator* is required to be
25 licensed pursuant to the provisions of this chapter;
- 26 (2) Has made a material misrepresentation in connection
27 with any transaction governed by this chapter;
- 28 (3) Has suppressed or withheld from a client any material
29 facts, data or other information relating to any transaction governed
30 by the provisions of this chapter which the mortgage ~~agent~~ *loan*
31 *originator* knew or, by the exercise of reasonable diligence, should
32 have known;
- 33 (4) Has knowingly made or caused to be made to the
34 Commissioner any false representation of material fact or has
35 suppressed or withheld from the Commissioner any information
36 which the mortgage ~~agent~~ *loan originator* possesses and which, if
37 submitted by the mortgage ~~agent~~ *loan originator*, would have
38 rendered the mortgage ~~agent~~ *loan originator* ineligible to be
39 licensed pursuant to the provisions of this chapter;
- 40 (5) Has been convicted of, or entered or agreed to enter a
41 plea of guilty or nolo contendere to, a felony in a domestic, foreign
42 or military court within the 7 years immediately preceding the date
43 of the application, or at any time if such felony involved an act of
44 fraud, dishonesty or a breach of trust, moral turpitude or money
45 laundering;



1 (6) Has failed to account for or to remit any money of a
2 client within a reasonable time after a request for an accounting or
3 remittal;

4 (7) Has commingled the money or other property of a client
5 with his or her own or has converted the money or property of
6 others to his or her own use;

7 (8) Has engaged in any other conduct constituting a
8 deceitful, fraudulent or dishonest business practice;

9 (9) Has violated NRS 645C.557;

10 (10) Has repeatedly violated the policies and procedures of
11 the mortgage ~~broker~~ *company* with whom the mortgage ~~agent~~
12 *loan originator* is associated or by whom he or she is employed;

13 (11) Has, directly or indirectly, received any commission,
14 fees, points or any other compensation as remuneration for his or
15 her services as a mortgage ~~agent~~ *loan originator*;

16 (I) From a person other than the mortgage ~~broker~~
17 *company* with whom the mortgage ~~agent~~ *loan originator* is
18 associated or by whom he or she is employed; or

19 (II) If the mortgage ~~agent~~ *loan originator* is required to
20 be registered with the Registry, from a person other than the
21 mortgage ~~broker~~ *company* by whom the mortgage ~~agent~~ *loan*
22 *originator* is employed and on whose behalf sponsorship was
23 entered as required by subsection 2 of NRS 645B.450; or

24 (12) Has violated any provision of this chapter, a regulation
25 adopted pursuant to this chapter or an order of the Commissioner or
26 has assisted or offered to assist another person to commit such a
27 violation.

28 2. This section does not prohibit the co-brokering of a
29 commercial loan through the cooperation of two or more mortgage
30 ~~brokers~~ *companies* so long as such a transaction is not inconsistent
31 with any other provision of this chapter.

32 **3. *An order that imposes discipline and the findings of fact***
33 ***and conclusions of law supporting that order are public records.***

34 **Sec. 66.** (Deleted by amendment.)

35 **Sec. 67.** NRS 645B.680 is hereby amended to read as follows:

36 645B.680 1. If the Commissioner receives a copy of a court
37 order issued pursuant to NRS 425.540 that provides for the
38 suspension of all professional, occupational and recreational
39 licenses, certificates and permits issued to a person who is the
40 holder of a license as a mortgage ~~broker~~ *company* or mortgage
41 ~~agent~~ *loan originator*, the Commissioner shall deem the license
42 issued to that person to be suspended at the end of the 30th day after
43 the date on which the court order was issued unless the
44 Commissioner receives a letter issued to the holder of the license by
45 the district attorney or other public agency pursuant to NRS 425.550



1 stating that the holder of the license has complied with the subpoena
2 or warrant or has satisfied the arrearage pursuant to NRS 425.560.

3 2. The Commissioner shall reinstate a license as a mortgage
4 ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* that has been
5 suspended by a district court pursuant to NRS 425.540 if the
6 Commissioner receives a letter issued by the district attorney or
7 other public agency pursuant to NRS 425.550 to the person whose
8 license was suspended stating that the person whose license was
9 suspended has complied with the subpoena or warrant or has
10 satisfied the arrearage pursuant to NRS 425.560.

11 **Sec. 68.** NRS 645B.690 is hereby amended to read as follows:

12 645B.690 1. If a person offers or provides any of the services
13 of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan*
14 *originator* or otherwise engages in, carries on or holds himself or
15 herself out as engaging in or carrying on the business of a mortgage
16 ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* and, at the
17 time:

18 (a) The person was required to have a license pursuant to this
19 chapter and the person did not have such a license;

20 (b) The person was required to be registered with the Registry
21 and the person was not so registered; or

22 (c) The person's license was suspended or revoked pursuant to
23 this chapter,

24 → the Commissioner ~~shall~~ *may* impose upon the person an
25 administrative fine of not more than \$50,000 for each violation and,
26 if the person has a license, the Commissioner may suspend or
27 revoke it.

28 2. If a mortgage ~~broker~~ *company* violates any provision of
29 subsection 1 of NRS 645B.080 and the mortgage ~~broker~~ *company*
30 fails, without reasonable cause, to remedy the violation within 20
31 business days after being ordered by the Commissioner to do so or
32 within such later time as prescribed by the Commissioner, or if the
33 Commissioner orders a mortgage ~~broker~~ *company* to provide
34 information, make a report or permit an examination of his or her
35 books or affairs pursuant to this chapter and the mortgage ~~broker~~
36 *company* fails, without reasonable cause, to comply with the order
37 within 20 business days or within such later time as prescribed by
38 the Commissioner, the Commissioner ~~shall~~ *may*:

39 (a) Impose upon the mortgage ~~broker~~ *company* an
40 administrative fine of not more than \$25,000 for each violation;

41 (b) Suspend or revoke the license of the mortgage ~~broker~~;
42 *company*; and

43 (c) Conduct a hearing to determine whether the mortgage
44 ~~broker~~ *company* is conducting business in an unsafe and injurious
45 manner that may result in danger to the public and whether it is



1 necessary for the Commissioner to take possession of the property
2 of the mortgage ~~broker~~ *company* pursuant to NRS 645B.630.

3 3. If a mortgage ~~broker~~ *company*:

4 (a) Makes or offers for sale in this State any investments in
5 promissory notes secured by liens on real property; and

6 (b) Receives the lowest possible rating on two consecutive
7 annual or biennial examinations pursuant to NRS 645B.060,

8 → the Commissioner ~~shall~~ *may* suspend or revoke the license of
9 the mortgage ~~broker~~ *company*.

10 **Sec. 68.5.** NRS 645B.710 is hereby amended to read as
11 follows:

12 645B.710 If a person is a partnership, corporation or
13 unincorporated association, the Commissioner ~~shall~~ *may* take any
14 disciplinary action required pursuant to NRS 645B.690 and may
15 take any other disciplinary action set forth in this chapter against the
16 person if any member of the partnership or any officer or director of
17 the corporation or unincorporated association has committed any act
18 or omission that would be cause for taking such disciplinary action
19 against a natural person.

20 **Sec. 69.** NRS 645B.740 is hereby amended to read as follows:

21 645B.740 The expiration or revocation of a license of a
22 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* by
23 operation of law or by order or decision of the Commissioner or a
24 court of competent jurisdiction, or the voluntary surrender of a
25 license, does not:

26 1. Prohibit the Commissioner from initiating or continuing an
27 investigation of, or action or disciplinary proceeding against, the
28 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* as
29 authorized pursuant to the provisions of this chapter or the
30 regulations adopted pursuant thereto; or

31 2. Prevent the imposition or collection of any fine or penalty
32 authorized pursuant to the provisions of this chapter or the
33 regulations adopted pursuant thereto against the mortgage ~~broker~~
34 *company* or mortgage ~~agent~~ *loan originator*.

35 **Sec. 70.** NRS 645B.900 is hereby amended to read as follows:

36 645B.900 It is unlawful for any person to offer or provide any
37 of the services of a mortgage ~~broker~~ *company* or mortgage ~~agent~~
38 *loan originator* or otherwise to engage in, carry on or hold himself
39 or herself out as engaging in or carrying on the business of a
40 mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*
41 without first obtaining the applicable license issued pursuant to this
42 chapter, unless the person:

43 1. Is exempt from the provisions of this chapter; and

44 2. Complies with the requirements for that exemption.



1 **Sec. 71.** NRS 645B.910 is hereby amended to read as follows:
2 645B.910 It is unlawful for any foreign corporation,
3 association or business trust to conduct any business as a mortgage
4 ~~broker~~ *company* within this State, unless it:

- 5 1. Qualifies under chapter 80 of NRS; and
- 6 2. Complies with the provisions of this chapter or, if it claims
7 an exemption from the provisions of this chapter, complies with the
8 requirements for that exemption.

9 **Sec. 72.** NRS 645B.930 is hereby amended to read as follows:
10 645B.930 In addition to any other remedy or penalty, if a
11 person, *or any general partner, director, officer, agent or employee*
12 *of a person*, violates the provisions of NRS 645B.900 or 645B.910,
13 the client may bring a civil action against the person for:

- 14 1. Actual and consequential damages;
- 15 2. Punitive damages, which are subject to the provisions of
16 NRS 42.005;
- 17 3. Reasonable attorney's fees and costs; and
- 18 4. Any other legal or equitable relief that the court deems
19 appropriate.

20 **Sec. 73.** NRS 645B.955 is hereby amended to read as follows:
21 645B.955 1. A person who engages in an activity for which a
22 license as a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan*
23 *originator* is required pursuant to this chapter, without regard to
24 whether such a person is licensed pursuant to this chapter, may be
25 required by the Commissioner to pay restitution to any person who
26 has suffered an economic loss as a result of a violation of the
27 provisions of this chapter or any regulation adopted pursuant
28 thereto.

29 2. Notwithstanding the provision of paragraph (m) of
30 subsection 1 of NRS 622A.120, payment of restitution pursuant to
31 subsection 1 shall be done in a manner consistent with the
32 provisions of chapter 622A of NRS.

33 **Sec. 74.** NRS 645F.060 is hereby amended to read as follows:
34 645F.060 "Mortgage ~~broker~~² *company*" has the meaning
35 ascribed to it in NRS 645B.0127.

36 **Sec. 75.** NRS 645F.160 is hereby amended to read as follows:
37 645F.160 The Commissioner shall not, either directly or
38 indirectly, be interested in any mortgage servicer, escrow agency ~~or~~
39 *or* mortgage ~~broker or mortgage banker~~ *company* to which this
40 chapter and chapters 645A ~~and~~ *and* 645B ~~and 645E~~ of NRS apply,
41 nor engage in business as a personal loan broker.

42 **Sec. 76.** NRS 645F.180 is hereby amended to read as follows:
43 645F.180 1. The Commissioner may appoint deputy
44 commissioners of mortgage lending, examiners, assistants, clerks,
45 stenographers and other employees necessary to assist the



1 Commissioner in the performance of his or her duties pursuant to
2 this chapter, chapters 645A ~~{}~~ and 645B ~~{and 645E}~~ of NRS or any
3 other law. These employees shall perform such duties as are
4 assigned to them by the Commissioner.

5 2. The Commissioner may employ or contract with a certified
6 public accountant to review and conduct independent audits and
7 examinations of escrow agencies, mortgage ~~{brokers,}~~ *companies*
8 *and* mortgage servicers . ~~{and mortgage bankers.}~~ The
9 Commissioner shall levy an assessment upon each licensed escrow
10 agency, mortgage ~~{broker,}~~ *company and* mortgage servicer ~~{and~~
11 ~~{mortgage banker}~~ to cover all the costs related to the employment of
12 or the contract with the certified public accountant and the
13 performance of the audits and examinations.

14 3. Assessments collected by the Commissioner pursuant to
15 subsection 2 must be deposited in the State Treasury for deposit to
16 the Account for Mortgage Lending created by NRS 645F.270 and
17 accounted for separately. The Commissioner shall use the money for
18 the purposes specified in subsection 2.

19 **Sec. 77.** NRS 645F.250 is hereby amended to read as follows:

20 645F.250 The Commissioner and the Division shall administer
21 the provisions of this chapter and chapters 645A ~~{}~~ and 645B ~~{and~~
22 ~~{645E}~~ of NRS, subject to administrative supervision by the Director
23 of the Department of Business and Industry.

24 **Sec. 78.** NRS 645F.260 is hereby amended to read as follows:

25 645F.260 The State Board of Finance shall act in an advisory
26 capacity to the Division in the administration of this chapter and
27 chapters 645A ~~{}~~ and 645B ~~{and 645E}~~ of NRS.

28 **Sec. 79.** NRS 645F.267 is hereby amended to read as follows:

29 645F.267 1. A mortgage ~~{agent,}~~ *loan originator*, mortgage
30 ~~{banker, mortgage broker}~~ *company* or mortgage servicer or an
31 employee of a mortgage ~~{banker, mortgage broker}~~ *company* or
32 mortgage servicer is not required to register or renew with the
33 Registry, or provide reports of financial condition to the Registry, if
34 the mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker, mortgage~~
35 ~~{broker}~~ *company* or mortgage servicer or employee:

36 (a) Is not a residential mortgage loan originator or the supervisor
37 of a residential mortgage loan originator; and

38 (b) Is not required to register pursuant to the provisions of the
39 federal Secure and Fair Enforcement for Mortgage Licensing Act of
40 2008.

41 2. A mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker,~~
42 ~~{mortgage broker}~~ *company* or mortgage servicer or an employee of
43 a mortgage ~~{banker, mortgage broker}~~ *company* or mortgage
44 servicer who, pursuant to subsection 1, is not required to register or
45 renew with the Registry and who voluntarily registers or renews



1 with the Registry shall comply with all requirements of the federal
2 Secure and Fair Enforcement for Mortgage Licensing Act of 2008,
3 and any regulations adopted pursuant thereto.

4 3. As used in this section, “residential mortgage loan
5 originator” has the meaning ascribed to it in NRS 645B.01325.

6 **Sec. 80.** NRS 645F.275 is hereby amended to read as follows:

7 645F.275 The Commissioner shall adopt regulations:

8 1. Establishing minimum net worth or surety bonding
9 requirements that reflect the dollar amount of loans originated by a
10 residential mortgage loan originator, as defined in NRS
11 645B.01325; or

12 2. Requiring a percentage of the fees collected for the issuance
13 or renewal of a license pursuant to chapter 645B ~~{or 645E}~~ of NRS
14 to be deposited in a mortgage recovery fund, and setting forth the
15 methods by which a person may make a claim against and be paid
16 from the fund.

17 **Sec. 81.** NRS 645F.293 is hereby amended to read as follows:

18 645F.293 1. The Commissioner shall adopt regulations to
19 carry out the provisions of the federal Secure and Fair Enforcement
20 for Mortgage Licensing Act of 2008.

21 2. The regulations must include, without limitation:

22 (a) A method by which to allow for reporting regularly
23 violations of the relevant provisions of chapter 645B ~~{or 645E}~~
24 of NRS, enforcement actions and other relevant information to the
25 Registry; and

26 (b) A process whereby a person may challenge information
27 reported to the Registry by the Commissioner.

28 3. The regulations must not require a mortgage ~~{agent,}~~ *loan*
29 *originator*, mortgage ~~{banker, mortgage broker}~~ *company* or
30 mortgage servicer or an employee of a mortgage ~~{banker, mortgage~~
31 ~~broker}~~ *company* or mortgage servicer to register with the Registry
32 if the mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker,~~
33 ~~mortgage broker,}~~ *company*, mortgage servicer or employee is
34 exempt from registration pursuant to subsection 1 of NRS 645F.267.

35 **Sec. 81.5.** NRS 645F.296 is hereby amended to read as
36 follows:

37 645F.296 1. Any person authorized to engage in activities as
38 a residential mortgage loan originator on behalf of an installment
39 loan lender licensed under chapter 675 of NRS shall obtain and
40 maintain a license as a mortgage ~~{agent,}~~ *loan originator*.

41 2. As used in this section:

42 (a) “Mortgage ~~{agent,}~~ *loan originator*” has the meaning
43 ascribed to in NRS 645B.0125; and

44 (b) “Residential mortgage loan originator” has the meaning
45 ascribed to it in NRS 645B.01325.



1 **Sec. 82.** NRS 645F.500 is hereby amended to read as follows:
2 645F.500 The provisions of NRS 645F.500 to 645F.540,
3 inclusive, do not apply to:

4 1. A depository financial institution, as that term is defined in
5 NRS ~~645E.060,~~ **645B.0109**, or any subsidiary or holding company
6 of a depository financial institution if such entity maintains its
7 principal place of business or a branch office in this State.

8 2. A real estate investment trust, as that term is defined in 26
9 U.S.C. § 856(a), unless the business conducted by the trust in this
10 State is not subject to supervision by the appropriate regulatory
11 body of a jurisdiction outside of this State.

12 3. Any trustee of an employee benefit plan, as that term is
13 defined in 29 U.S.C. § 1002(3), who makes a residential mortgage
14 loan directly from money in the plan.

15 4. An attorney who is licensed in this State and who does not
16 engage in the business of, or otherwise hold himself or herself out as
17 being able to provide services related to, a mortgage servicer, if the
18 activities of the attorney are directly incidental to the representation
19 of a client.

20 5. A person performing any act pursuant to a court order.

21 6. A federal or state agency or a political subdivision of this
22 State, including, without limitation, the Public Employees'
23 Retirement System.

24 7. A nonprofit organization that is recognized as exempt under
25 section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. §
26 501(c)(3).

27 8. A mortgage servicer that, in the aggregate with any
28 affiliates, services not more than 10 residential mortgage loans in
29 this State during a calendar year.

30 9. A person licensed pursuant to the provisions of chapter
31 645B ~~645E~~ or 675 of NRS who is collecting payments on a
32 mortgage loan or servicing one or more mortgage loans made or
33 arranged by the person under his or her license.

34 **Sec. 83.** NRS 645H.040 is hereby amended to read as follows:

35 645H.040 "Asset management company" means a person,
36 limited-liability company, partnership, association or corporation
37 which, for compensation and pursuant to a contractual agreement,
38 power of attorney or other legal authorization, engages in asset
39 management on behalf of:

40 1. A bank, mortgage ~~broker, mortgage banker,~~ **company**,
41 mortgage servicer as that term is defined in NRS 645F.063, credit
42 union, thrift company or savings and loan association, or any
43 subsidiary thereof which is authorized to transact business in this
44 State;

45 2. A mortgage holding entity chartered by Congress; or



3. A federal, state or local governmental entity.

Sec. 84. NRS 645H.060 is hereby amended to read as follows:

645H.060 “Client” means:

1. A bank, mortgage ~~broker, mortgage banker,~~ **company**, mortgage servicer as that term is defined in NRS 645F.063, credit union, thrift company or savings and loan association, or any subsidiary thereof that is authorized to transact business in this State;

2. A mortgage holding entity chartered by Congress; or

3. A federal, state or local governmental entity,

↳ for whom an asset management company provides asset management.

Sec. 85. NRS 645H.110 is hereby amended to read as follows:

645H.110 “Mortgage ~~broker~~” **company**” has the meaning ascribed to it in NRS 645B.0127.

Sec. 86. NRS 645H.160 is hereby amended to read as follows:

645H.160 1. The provisions of this chapter which require a certificate of registration or permit do not apply to a person or broker who has a current permit to engage in property management pursuant to chapter 645 of NRS.

2. A person or broker who has a permit to engage in property management pursuant to chapter 645 of NRS may engage in the business of asset management if the provision of asset management services is included in the property management agreement entered into pursuant to NRS 645.6056.

3. Except as otherwise provided in subsection 1, a person or broker who engages in the business of asset management must comply with the provisions of this chapter and the recordkeeping requirements of chapter 645 of NRS.

4. The provisions of this chapter do not apply to:

(a) A person who is a regular, full-time employee of a bank, mortgage ~~broker, mortgage banker,~~ **company**, mortgage servicer as that term is defined in NRS 645F.063, credit union, thrift company or savings and loan association, or any subsidiary thereof.

(b) A person who takes possession of property from a defendant in connection with a judicial proceeding for eminent domain brought pursuant to chapter 37 of NRS.

Sec. 87. NRS 40.750 is hereby amended to read as follows:

40.750 1. As used in this section, “financial institution” means a bank, mortgage ~~broker, mortgage banker,~~ **company**, mortgage servicer as that term is defined in NRS 645F.063, credit union, thrift company or savings and loan association, or any subsidiary or affiliate of a bank, mortgage ~~broker, mortgage banker,~~ **company**, mortgage servicer, credit union, thrift company or savings and loan association, which is authorized to transact



1 business in this State and which makes or acquires, in whole or in
2 part, any loan of the kind described in subsection 2.

3 2. Except as otherwise provided in subsection 5, a person who,
4 for the purpose of obtaining a loan secured by a lien on real
5 property, knowingly conceals a material fact, or makes a false
6 statement concerning a material fact knowing that the statement is
7 false, is liable to any financial institution or other lender which
8 relied upon the absence of that concealed fact or on that false
9 statement for any damages it sustains because of the fraud.

10 3. In addition to its actual damages, a financial institution or
11 other lender may recover exemplary or punitive damages in an
12 amount not to exceed 50 percent of the actual damages awarded.

13 4. The cause of action provided by this section:

14 (a) Is not, for the purposes of NRS 40.430, an action for the
15 recovery of any debt or an action for the enforcement of any right
16 secured by mortgage or lien upon real estate.

17 (b) Is in addition to and not in substitution for any right of
18 foreclosure existing in favor of the financial institution or other
19 lender. Any recovery pursuant to this section does not limit the
20 amount of a judgment awarded pursuant to NRS 40.459, but the
21 financial institution or other lender is not entitled to recover actual
22 damages more than once for the same loss.

23 5. The provisions of this section do not apply to any loan
24 which is secured by a lien on real property used for residential
25 purposes if:

26 (a) The residence is a single-family dwelling occupied by the
27 person obtaining the loan, as represented by the person in
28 connection with the person's application for the loan; and

29 (b) The loan is for the principal amount of \$150,000 or less.

30 **Sec. 88.** NRS 80.015 is hereby amended to read as follows:

31 80.015 1. For the purposes of this chapter, the following
32 activities do not constitute doing business in this State:

33 (a) Maintaining, defending or settling any proceeding;

34 (b) Holding meetings of the board of directors or stockholders or
35 carrying on other activities concerning internal corporate affairs;

36 (c) Maintaining accounts in banks or credit unions;

37 (d) Maintaining offices or agencies for the transfer, exchange
38 and registration of the corporation's own securities or maintaining
39 trustees or depositaries with respect to those securities;

40 (e) Making sales through independent contractors;

41 (f) Soliciting or receiving orders outside of this State through or
42 in response to letters, circulars, catalogs or other forms of
43 advertising, accepting those orders outside of this State and filling
44 them by shipping goods into this State;



- 1 (g) Creating or acquiring indebtedness, mortgages and security
2 interests in real or personal property;
- 3 (h) Securing or collecting debts or enforcing mortgages and
4 security interests in property securing the debts;
- 5 (i) Owning, without more, real or personal property;
- 6 (j) Isolated transactions completed within 30 days and not a part
7 of a series of similar transactions;
- 8 (k) The production of motion pictures as defined in
9 NRS 231.020;
- 10 (l) Transacting business as an out-of-state depository institution
11 pursuant to the provisions of title 55 of NRS; and
- 12 (m) Transacting business in interstate commerce.
- 13 2. The list of activities in subsection 1 is not exhaustive.
- 14 3. A person who is not doing business in this State within the
15 meaning of this section need not qualify or comply with any
16 provision of this chapter, chapter 645A ~~†† or 645B ††~~ ~~for 645E††~~ of
17 NRS or title 55 or 56 of NRS unless the person:
- 18 (a) Maintains an office in this State for the transaction of
19 business;
- 20 (b) Solicits or accepts deposits in the State, except pursuant to
21 the provisions of chapter 666 or 666A of NRS;
- 22 (c) Solicits business for the activities of a mortgage ~~broker††~~
23 *company* as defined ~~†† by††~~ *in* NRS 645B.0127 ; ~~†† for the activities of a~~
24 ~~mortgage banker as defined by NRS 645E.100;††~~ or
- 25 (d) Arranges a mortgage loan secured by real property which is
26 not commercial property ~~†† as defined by NRS 645E.040.††~~ *as defined*
27 *in section 2.4 of this act.*
- 28 4. The fact that a person is not doing business in this State
29 within the meaning of this section:
- 30 (a) Does not affect the determination of whether any court,
31 administrative agency or regulatory body in this State may exercise
32 personal jurisdiction over the person in any civil action, criminal
33 action, administrative proceeding or regulatory proceeding; and
- 34 (b) Except as otherwise provided in subsection 3, does not affect
35 the applicability of any other provision of law with respect to the
36 person and may not be offered as a defense or introduced in
37 evidence in any civil action, criminal action, administrative
38 proceeding or regulatory proceeding to prove that the person is not
39 doing business in this State, including, without limitation, any civil
40 action, criminal action, administrative proceeding or regulatory
41 proceeding involving an alleged violation of chapter 597, 598 or
42 598A of NRS.
- 43 5. As used in this section and for the purposes of NRS 80.016,
44 “deposits” means demand deposits, savings deposits and time
45 deposits, as those terms are defined in chapter 657 of NRS.



1 **Sec. 88.5.** NRS 86.5483 is hereby amended to read as follows:
2 86.5483 1. For the purposes of NRS 86.543 to 86.549,
3 inclusive, the following activities do not constitute transacting
4 business in this State:
5 (a) Maintaining, defending or settling any proceeding;
6 (b) Holding meetings of the managers or members or carrying
7 on other activities concerning internal company affairs;
8 (c) Maintaining accounts in banks or credit unions;
9 (d) Maintaining offices or agencies for the transfer, exchange
10 and registration of the company's own securities or maintaining
11 trustees or depositories with respect to those securities;
12 (e) Making sales through independent contractors;
13 (f) Soliciting or receiving orders outside this State through or in
14 response to letters, circulars, catalogs or other forms of advertising,
15 accepting those orders outside this State and filling them by
16 shipping goods into this State;
17 (g) Creating or acquiring indebtedness, mortgages and security
18 interests in real or personal property;
19 (h) Securing or collecting debts or enforcing mortgages and
20 security interests in property securing the debts;
21 (i) Owning, without more, real or personal property;
22 (j) Isolated transactions completed within 30 days and not a part
23 of a series of similar transactions;
24 (k) The production of motion pictures as defined in
25 NRS 231.020;
26 (l) Transacting business as an out-of-state depository institution
27 pursuant to the provisions of title 55 of NRS; and
28 (m) Transacting business in interstate commerce.
29 2. The list of activities in subsection 1 is not exhaustive.
30 3. A person who is not transacting business in this State within
31 the meaning of this section need not qualify or comply with any
32 provision of this chapter, title 55 or 56 of NRS or chapter 645A,
33 645B or 645E of NRS unless the person:
34 (a) Maintains an office in this State for the transaction of
35 business; ~~to~~
36 (b) Solicits or accepts deposits in the State, except pursuant to
37 the provisions of chapter 666 or 666A of NRS ~~to~~;
38 (c) *Solicits business for the activities of a mortgage broker as*
39 *defined in NRS 645B.0127 or the activities of a mortgage banker*
40 *as defined in NRS 645E.100; or*
41 (d) *Arranges a mortgage loan secured by real property that is*
42 *not commercial property as defined in NRS 645E.040.*
43 4. The fact that a person is not transacting business in this State
44 within the meaning of this section:



1 (a) Does not affect the determination of whether any court,
2 administrative agency or regulatory body in this State may exercise
3 personal jurisdiction over the person in any civil action, criminal
4 action, administrative proceeding or regulatory proceeding; and

5 (b) Except as otherwise provided in subsection 3, does not affect
6 the applicability of any other provision of law with respect to the
7 person and may not be offered as a defense or introduced in
8 evidence in any civil action, criminal action, administrative
9 proceeding or regulatory proceeding to prove that the person is not
10 transacting business in this State, including, without limitation, any
11 civil action, criminal action, administrative proceeding or regulatory
12 proceeding involving an alleged violation of chapter 597, 598 or
13 598A of NRS.

14 5. As used in this section, "deposits" means demand deposits,
15 savings deposits and time deposits, as those terms are defined in
16 chapter 657 of NRS.

17 **Sec. 89.** NRS 86.5483 is hereby amended to read as follows:

18 86.5483 1. For the purposes of NRS 86.543 to 86.549,
19 inclusive, the following activities do not constitute transacting
20 business in this State:

21 (a) Maintaining, defending or settling any proceeding;

22 (b) Holding meetings of the managers or members or carrying
23 on other activities concerning internal company affairs;

24 (c) Maintaining accounts in banks or credit unions;

25 (d) Maintaining offices or agencies for the transfer, exchange
26 and registration of the company's own securities or maintaining
27 trustees or depositories with respect to those securities;

28 (e) Making sales through independent contractors;

29 (f) Soliciting or receiving orders outside this State through or in
30 response to letters, circulars, catalogs or other forms of advertising,
31 accepting those orders outside this State and filling them by
32 shipping goods into this State;

33 (g) Creating or acquiring indebtedness, mortgages and security
34 interests in real or personal property;

35 (h) Securing or collecting debts or enforcing mortgages and
36 security interests in property securing the debts;

37 (i) Owning, without more, real or personal property;

38 (j) Isolated transactions completed within 30 days and not a part
39 of a series of similar transactions;

40 (k) The production of motion pictures as defined in
41 NRS 231.020;

42 (l) Transacting business as an out-of-state depository institution
43 pursuant to the provisions of title 55 of NRS; and

44 (m) Transacting business in interstate commerce.

45 2. The list of activities in subsection 1 is not exhaustive.



1 3. A person who is not transacting business in this State within
2 the meaning of this section need not qualify or comply with any
3 provision of this chapter, title 55 or 56 of NRS or chapter 645A ~~+~~
4 ~~or 645B~~ ~~for 645E~~ of NRS unless the person:

5 (a) Maintains an office in this State for the transaction of
6 business;

7 (b) Solicits or accepts deposits in the State, except pursuant to
8 the provisions of chapter 666 or 666A of NRS;

9 (c) Solicits business for the activities of a mortgage ~~broker~~
10 ~~company~~ as defined in NRS 645B.0127 ; ~~for the activities of a~~
11 ~~mortgage banker as defined in NRS 645E.100;~~ or

12 (d) Arranges a mortgage loan secured by real property that is not
13 commercial property as defined in ~~NRS 645E.040;~~ *section 2.3 of*
14 *this act.*

15 4. The fact that a person is not transacting business in this State
16 within the meaning of this section:

17 (a) Does not affect the determination of whether any court,
18 administrative agency or regulatory body in this State may exercise
19 personal jurisdiction over the person in any civil action, criminal
20 action, administrative proceeding or regulatory proceeding; and

21 (b) Except as otherwise provided in subsection 3, does not affect
22 the applicability of any other provision of law with respect to the
23 person and may not be offered as a defense or introduced in
24 evidence in any civil action, criminal action, administrative
25 proceeding or regulatory proceeding to prove that the person is not
26 transacting business in this State, including, without limitation, any
27 civil action, criminal action, administrative proceeding or regulatory
28 proceeding involving an alleged violation of chapter 597, 598 or
29 598A of NRS.

30 5. As used in this section, "deposits" means demand deposits,
31 savings deposits and time deposits, as those terms are defined in
32 chapter 657 of NRS.

33 **Sec. 90.** NRS 87A.615 is hereby amended to read as follows:

34 87A.615 1. For the purposes of NRS 87A.535 to 87A.625,
35 inclusive, the following activities do not constitute transacting
36 business in this State:

37 (a) Maintaining, defending or settling any proceeding;

38 (b) Holding meetings of the managers or members or carrying
39 on other activities concerning internal company affairs;

40 (c) Maintaining accounts in banks or credit unions;

41 (d) Maintaining offices or agencies for the transfer, exchange
42 and registration of the company's own securities or maintaining
43 trustees or depositaries with respect to those securities;

44 (e) Making sales through independent contractors;



- 1 (f) Soliciting or receiving orders outside this State through or in
2 response to letters, circulars, catalogs or other forms of advertising,
3 accepting those orders outside this State and filling them by
4 shipping goods into this State;
- 5 (g) Creating or acquiring indebtedness, mortgages and security
6 interests in real or personal property;
- 7 (h) Securing or collecting debts or enforcing mortgages and
8 security interests in property securing the debts;
- 9 (i) Owning, without more, real or personal property;
- 10 (j) Isolated transactions completed within 30 days and not a part
11 of a series of similar transactions;
- 12 (k) The production of motion pictures as defined in
13 NRS 231.020;
- 14 (l) Transacting business as an out-of-state depository institution
15 pursuant to the provisions of title 55 of NRS; and
- 16 (m) Transacting business in interstate commerce.
- 17 2. The list of activities in subsection 1 is not exhaustive.
- 18 3. A person who is not transacting business in this State within
19 the meaning of this section need not qualify or comply with any
20 provision of this chapter, title 55 or 56 of NRS or chapter 645A ~~†~~
21 or 645B ~~†~~ of NRS unless the person:
- 22 (a) Maintains an office in this State for the transaction of
23 business; or
- 24 (b) Solicits or accepts deposits in the State, except pursuant to
25 the provisions of chapter 666 or 666A of NRS.
- 26 4. The fact that a person is not transacting business in this State
27 within the meaning of this section:
- 28 (a) Does not affect the determination of whether any court,
29 administrative agency or regulatory body in this State may exercise
30 personal jurisdiction over the person in any civil action, criminal
31 action, administrative proceeding or regulatory proceeding; and
- 32 (b) Except as otherwise provided in subsection 3, does not affect
33 the applicability of any other provision of law with respect to the
34 person and may not be offered as a defense or introduced in
35 evidence in any civil action, criminal action, administrative
36 proceeding or regulatory proceeding to prove that the person is not
37 transacting business in this State, including, without limitation, any
38 civil action, criminal action, administrative proceeding or regulatory
39 proceeding involving an alleged violation of chapter 597, 598 or
40 598A of NRS.
- 41 5. As used in this section, "deposits" means demand deposits,
42 savings deposits and time deposits, as those terms are defined in
43 chapter 657 of NRS.



1 **Sec. 91.** NRS 88.602 is hereby amended to read as follows:

2 88.602 1. For the purposes of NRS 88.570 to 88.605,
3 inclusive, the following activities do not constitute transacting
4 business in this State:

5 (a) Maintaining, defending or settling any proceeding;

6 (b) Holding meetings of the managers or members or carrying
7 on other activities concerning internal company affairs;

8 (c) Maintaining accounts in banks or credit unions;

9 (d) Maintaining offices or agencies for the transfer, exchange
10 and registration of the company's own securities or maintaining
11 trustees or depositories with respect to those securities;

12 (e) Making sales through independent contractors;

13 (f) Soliciting or receiving orders outside this State through or in
14 response to letters, circulars, catalogs or other forms of advertising,
15 accepting those orders outside this State and filling them by
16 shipping goods into this State;

17 (g) Creating or acquiring indebtedness, mortgages and security
18 interests in real or personal property;

19 (h) Securing or collecting debts or enforcing mortgages and
20 security interests in property securing the debts;

21 (i) Owning, without more, real or personal property;

22 (j) Isolated transactions completed within 30 days and not a part
23 of a series of similar transactions;

24 (k) The production of motion pictures as defined in
25 NRS 231.020;

26 (l) Transacting business as an out-of-state depository institution
27 pursuant to the provisions of title 55 of NRS; and

28 (m) Transacting business in interstate commerce.

29 2. The list of activities in subsection 1 is not exhaustive.

30 3. A person who is not transacting business in this State within
31 the meaning of this section need not qualify or comply with any
32 provision of this chapter, title 55 or 56 of NRS or chapter 645A ~~†~~
33 or 645B ~~†~~ of NRS unless the person:

34 (a) Maintains an office in this State for the transaction of
35 business; or

36 (b) Solicits or accepts deposits in the State, except pursuant to
37 the provisions of chapter 666 or 666A of NRS.

38 4. The fact that a person is not transacting business in this State
39 within the meaning of this section:

40 (a) Does not affect the determination of whether any court,
41 administrative agency or regulatory body in this State may exercise
42 personal jurisdiction over the person in any civil action, criminal
43 action, administrative proceeding or regulatory proceeding; and

44 (b) Except as otherwise provided in subsection 3, does not affect
45 the applicability of any other provision of law with respect to the



1 person and may not be offered as a defense or introduced in
2 evidence in any civil action, criminal action, administrative
3 proceeding or regulatory proceeding to prove that the person is not
4 transacting business in this State, including, without limitation, any
5 civil action, criminal action, administrative proceeding or regulatory
6 proceeding involving an alleged violation of chapter 597, 598 or
7 598A of NRS.

8 5. As used in this section, "deposits" means demand deposits,
9 savings deposits and time deposits, as those terms are defined in
10 chapter 657 of NRS.

11 **Sec. 92.** NRS 90.530 is hereby amended to read as follows:

12 90.530 The following transactions are exempt from NRS
13 90.460 and 90.560:

14 1. An isolated nonissuer transaction, whether or not effected
15 through a broker-dealer.

16 2. A nonissuer transaction in an outstanding security if the
17 issuer of the security has a class of securities subject to registration
18 under section 12 of the Securities Exchange Act of 1934, 15 U.S.C.
19 § 78l, and has been subject to the reporting requirements of section
20 13 or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. §§
21 78m and 78o(d), for not less than 90 days next preceding the
22 transaction, or has filed and maintained with the Administrator for
23 not less than 90 days preceding the transaction information, in such
24 form as the Administrator, by regulation, specifies, substantially
25 comparable to the information the issuer would be required to file
26 under section 12(b) or 12(g) of the Securities Exchange Act of 1934,
27 15 U.S.C. §§ 78l(b) and 78l(g), were the issuer to have a class of its
28 securities registered under section 12 of the Securities Exchange Act
29 of 1934, 15 U.S.C. § 78l, and paid a fee of \$300 with the filing.

30 3. A nonissuer transaction by a sales representative licensed in
31 this State, in an outstanding security if:

32 (a) The security is sold at a price reasonably related to the
33 current market price of the security at the time of the transaction;

34 (b) The security does not constitute all or part of an unsold
35 allotment to, or subscription or participation by, a broker-dealer as
36 an underwriter of the security;

37 (c) At the time of the transaction, a recognized securities manual
38 designated by the Administrator by regulation or order contains the
39 names of the issuer's officers and directors, a statement of the
40 financial condition of the issuer as of a date within the preceding 18
41 months, and a statement of income or operations for each of the last
42 2 years next preceding the date of the statement of financial
43 condition, or for the period as of the date of the statement of
44 financial condition if the period of existence is less than 2 years;



1 (d) The issuer of the security has not undergone a major
2 reorganization, merger or acquisition within the preceding 30 days
3 which is not reflected in the information contained in the manual;
4 and

5 (e) At the time of the transaction, the issuer of the security has a
6 class of equity security listed on the New York Stock Exchange,
7 American Stock Exchange or other exchange designated by the
8 Administrator, or on the National Market System of the National
9 Association of Securities Dealers Automated Quotation System. The
10 requirements of this paragraph do not apply if:

11 (1) The security has been outstanding for at least 180 days;

12 (2) The issuer of the security is actually engaged in business
13 and is not developing the issuer's business, in bankruptcy or in
14 receivership; and

15 (3) The issuer of the security has been in continuous
16 operation for at least 5 years.

17 4. A nonissuer transaction in a security that has a fixed
18 maturity or a fixed interest or dividend provision if there has been
19 no default during the current fiscal year or within the 3 preceding
20 years, or during the existence of the issuer, and any predecessors if
21 less than 3 years, in the payment of principal, interest or dividends
22 on the security.

23 5. A nonissuer transaction effected by or through a registered
24 broker-dealer pursuant to an unsolicited order or offer to purchase.

25 6. A transaction between the issuer or other person on whose
26 behalf the offering of a security is made and an underwriter, or a
27 transaction among underwriters.

28 7. A transaction in a bond or other evidence of indebtedness
29 secured by a real estate mortgage, deed of trust, personal property
30 security agreement, or by an agreement for the sale of real estate or
31 personal property, if the entire mortgage, deed of trust or agreement,
32 together with all the bonds or other evidences of indebtedness
33 secured thereby, is offered and sold as a unit.

34 8. A transaction by an executor, administrator, sheriff, marshal,
35 receiver, trustee in bankruptcy, guardian or conservator.

36 9. A transaction executed by a bona fide secured party without
37 the purpose of evading this chapter.

38 10. An offer to sell or the sale of a security to a financial or
39 institutional investor or to a broker-dealer.

40 11. Except as otherwise provided in this subsection, a
41 transaction pursuant to an offer to sell securities of an issuer if:

42 (a) The transaction is part of an issue in which there are not
43 more than 25 purchasers in this State, other than those designated in
44 subsection 10, during any 12 consecutive months;



1 (b) No general solicitation or general advertising is used in
2 connection with the offer to sell or sale of the securities;

3 (c) No commission or other similar compensation is paid or
4 given, directly or indirectly, to a person, other than a broker-dealer
5 licensed or not required to be licensed under this chapter, for
6 soliciting a prospective purchaser in this State; and

7 (d) One of the following conditions is satisfied:

8 (1) The seller reasonably believes that all the purchasers in
9 this State, other than those designated in subsection 10, are
10 purchasing for investment; or

11 (2) Immediately before and immediately after the
12 transaction, the issuer reasonably believes that the securities of the
13 issuer are held by 50 or fewer beneficial owners, other than those
14 designated in subsection 10, and the transaction is part of an
15 aggregate offering that does not exceed \$500,000 during any 12
16 consecutive months.

17 ➤ The Administrator by rule or order as to a security or transaction
18 or a type of security or transaction may withdraw or further
19 condition the exemption set forth in this subsection or waive one or
20 more of the conditions of the exemption.

21 12. An offer to sell or sale of a preorganization certificate or
22 subscription if:

23 (a) No commission or other similar compensation is paid or
24 given, directly or indirectly, for soliciting a prospective subscriber;

25 (b) No public advertising or general solicitation is used in
26 connection with the offer to sell or sale;

27 (c) The number of offers does not exceed 50;

28 (d) The number of subscribers does not exceed 10; and

29 (e) No payment is made by a subscriber.

30 13. An offer to sell or sale of a preorganization certificate or
31 subscription issued in connection with the organization of a
32 depository institution if that organization is under the supervision of
33 an official or agency of a state or of the United States which has and
34 exercises the authority to regulate and supervise the organization of
35 the depository institution. For the purpose of this subsection, "under
36 the supervision of an official or agency" means that the official or
37 agency by law has authority to require disclosures to prospective
38 investors similar to those required under NRS 90.490, impound
39 proceeds from the sale of a preorganization certificate or
40 subscription until organization of the depository institution is
41 completed, and require refund to investors if the depository
42 institution does not obtain a grant of authority from the appropriate
43 official or agency.

44 14. A transaction pursuant to an offer to sell to existing
45 security holders of the issuer, including persons who at the time of



1 the transaction are holders of transferable warrants exercisable
2 within not more than 90 days after their issuance, convertible
3 securities or nontransferable warrants, if:

4 (a) No commission or other similar compensation, other than a
5 standby commission, is paid or given, directly or indirectly, for
6 soliciting a security holder in this State; or

7 (b) The issuer first files a notice specifying the terms of the offer
8 to sell, together with a nonrefundable fee of \$300, and the
9 Administrator does not by order disallow the exemption within the
10 next 5 full business days.

11 15. A transaction involving an offer to sell, but not a sale, of a
12 security not exempt from registration under the Securities Act of
13 1933, 15 U.S.C. §§ 77a et seq., if:

14 (a) A registration or offering statement or similar record as
15 required under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq.,
16 has been filed, but is not effective;

17 (b) A registration statement, if required, has been filed under
18 this chapter, but is not effective; and

19 (c) No order denying, suspending or revoking the effectiveness
20 of registration, of which the offeror is aware, has been entered by
21 the Administrator or the Securities and Exchange Commission, and
22 no examination or public proceeding that may culminate in that kind
23 of order is known by the offeror to be pending.

24 16. A transaction involving an offer to sell, but not a sale, of a
25 security exempt from registration under the Securities Act of 1933,
26 15 U.S.C. §§ 77a et seq., if:

27 (a) A registration statement has been filed under this chapter, but
28 is not effective; and

29 (b) No order denying, suspending or revoking the effectiveness
30 of registration, of which the offeror is aware, has been entered by
31 the Administrator and no examination or public proceeding that may
32 culminate in that kind of order is known by the offeror to be
33 pending.

34 17. A transaction involving the distribution of the securities of
35 an issuer to the security holders of another person in connection
36 with a merger, consolidation, exchange of securities, sale of assets
37 or other reorganization to which the issuer, or its parent or
38 subsidiary, and the other person, or its parent or subsidiary, are
39 parties, if:

40 (a) The securities to be distributed are registered under the
41 Securities Act of 1933, 15 U.S.C. §§ 77a et seq., before the
42 consummation of the transaction; or

43 (b) The securities to be distributed are not required to be
44 registered under the Securities Act of 1933, 15 U.S.C. §§ 77a et
45 seq., written notice of the transaction and a copy of the materials, if



1 any, by which approval of the transaction will be solicited, together
2 with a nonrefundable fee of \$300, are given to the Administrator at
3 least 10 days before the consummation of the transaction and the
4 Administrator does not, by order, disallow the exemption within the
5 next 10 days.

6 18. A transaction involving the offer to sell or sale of one or
7 more promissory notes each of which is directly secured by a first
8 lien on a single parcel of real estate, or a transaction involving the
9 offer to sell or sale of participation interests in the notes if the notes
10 and participation interests are originated by a depository institution
11 and are offered and sold subject to the following conditions:

12 (a) The minimum aggregate sales price paid by each purchaser
13 may not be less than \$250,000;

14 (b) Each purchaser must pay cash either at the time of the sale or
15 within 60 days after the sale; and

16 (c) Each purchaser may buy for the purchaser's own account
17 only.

18 19. A transaction involving the offer to sell or sale of one or
19 more promissory notes directly secured by a first lien on a single
20 parcel of real estate or participating interests in the notes, if the
21 notes and interests are originated by a mortgagee approved by the
22 Secretary of Housing and Urban Development under sections 203
23 and 211 of the National Housing Act, 12 U.S.C. §§ 1709 and 1715b,
24 and are offered or sold, subject to the conditions specified in
25 subsection 18, to a depository institution or insurance company, the
26 Federal Home Loan Mortgage Corporation, the Federal National
27 Mortgage Association or the Government National Mortgage
28 Association.

29 20. A transaction between any of the persons described in
30 subsection 19 involving a nonassignable contract to buy or sell the
31 securities described in subsection 18 if the contract is to be
32 completed within 2 years and if:

33 (a) The seller of the securities pursuant to the contract is one of
34 the parties described in subsection 18 or 19 who may originate
35 securities;

36 (b) The purchaser of securities pursuant to a contract is any
37 other person described in subsection 19; and

38 (c) The conditions described in subsection 18 are fulfilled.

39 21. A transaction involving one or more promissory notes
40 secured by a lien on real estate, or participating interests in those
41 notes, by ~~f~~

42 ~~—(a) A~~ a mortgage ~~{banker licensed pursuant to chapter 645E of~~
43 ~~NRS to engage in those transactions; or~~

44 ~~—(b) A mortgage broker}~~ **company** licensed pursuant to chapter
45 645B of NRS to engage in those transactions.



1 **Sec. 93.** NRS 205.372 is hereby amended to read as follows:

2 205.372 1. A person who is a participant in a mortgage
3 lending transaction and who:

4 (a) Knowingly makes a false statement or misrepresentation
5 concerning a material fact or knowingly conceals or fails to disclose
6 a material fact;

7 (b) Knowingly uses or facilitates the use of a false statement or
8 misrepresentation made by another person concerning a material
9 fact or knowingly uses or facilitates the use of another person's
10 concealment or failure to disclose a material fact;

11 (c) Receives any proceeds or any other money in connection
12 with a mortgage lending transaction that the person knows resulted
13 from a violation of paragraph (a) or (b);

14 (d) Conspires with another person to violate any of the
15 provisions of paragraph (a), (b) or (c); or

16 (e) Files or causes to be filed with a county recorder any
17 document that the person knows to include a misstatement,
18 misrepresentation or omission concerning a material fact,

19 ↳ commits the offense of mortgage lending fraud which is a
20 category C felony and, upon conviction, shall be punished by
21 imprisonment in the state prison for a minimum term of not less
22 than 1 year and a maximum term of not more than 10 years, or by a
23 fine of not more than \$10,000, or by both fine and imprisonment.

24 2. A person who engages in a pattern of mortgage lending
25 fraud or conspires or attempts to engage in a pattern of mortgage
26 lending fraud is guilty of a category B felony and, upon conviction,
27 shall be punished by imprisonment in the state prison for a
28 minimum term of not less than 3 years and a maximum term of not
29 more than 20 years, or by a fine of not more than \$50,000, or by
30 both fine and imprisonment.

31 3. Each mortgage lending transaction in which a person
32 violates any provision of subsection 1 constitutes a separate
33 violation.

34 4. Except as otherwise provided in this subsection, if a lender
35 or any agent of the lender is convicted of the offense of mortgage
36 lending fraud in violation of this section, the mortgage lending
37 transaction with regard to which the fraud was committed may be
38 rescinded by the borrower within 6 months after the date of the
39 conviction if the borrower gives written notice to the lender and
40 records that notice with the recorder of the county in which the
41 mortgage was recorded. A mortgage lending transaction may not be
42 rescinded pursuant to this subsection if the lender has transferred the
43 mortgage to a bona fide purchaser.

44 5. The Attorney General may investigate and prosecute a
45 violation of this section.



1 6. In addition to the criminal penalties imposed for a violation
2 of this section, any person who violates this section is subject to a
3 civil penalty of not more than \$5,000 for each violation. This
4 penalty must be recovered in a civil action, brought in the name of
5 the State of Nevada by the Attorney General. In such an action, the
6 Attorney General may recover reasonable attorney's fees and costs.

7 7. The owner or holder of the beneficial interest in real
8 property which is the subject of mortgage lending fraud may bring a
9 civil action in the district court in and for the county in which the
10 real property is located to recover any damages suffered by the
11 owner or holder of the beneficial interest plus reasonable attorney's
12 fees and costs.

13 8. As used in this section:

14 (a) "Bona fide purchaser" means any person who purchases a
15 mortgage in good faith and for valuable consideration and who does
16 not know or have reasonable cause to believe that the lender or any
17 agent of the lender engaged in mortgage lending fraud in violation
18 of this section.

19 (b) "Mortgage lending transaction" means any transaction
20 between two or more persons for the purpose of making or
21 obtaining, attempting to make or obtain, or assisting another person
22 to make or obtain a loan that is secured by a mortgage or other lien
23 on residential real property. The term includes, without limitation:

24 (1) The solicitation of a person to make or obtain the loan;

25 (2) The representation or offer to represent another person to
26 make or obtain the loan;

27 (3) The negotiation of the terms of the loan;

28 (4) The provision of services in connection with the loan;
29 and

30 (5) The execution of any document in connection with
31 making or obtaining the loan.

32 (c) "Participant in a mortgage lending transaction" includes,
33 without limitation:

34 (1) A borrower as defined in NRS 598D.020;

35 (2) An escrow agent as defined in NRS 645A.010;

36 (3) A foreclosure consultant as defined in NRS 645F.320;

37 (4) A foreclosure purchaser as defined in NRS 645F.330;

38 (5) An investor as defined in NRS 645B.0121;

39 (6) A lender as defined in NRS 598D.050;

40 (7) A loan modification consultant as defined in
41 NRS 645F.365;

42 (8) A mortgage ~~agent~~ *loan originator* as defined in
43 NRS 645B.0125;

44 (9) A mortgage ~~banker~~ *company* as defined in
45 ~~NRS 645E.100~~;



1 ~~— (10) A mortgage broker as defined in~~ NRS 645B.0127; and
2 ~~[(11)] (10)~~ A mortgage servicer as defined in
3 NRS 645F.063.

4 (d) "Pattern of mortgage lending fraud" means one or more
5 violations of a provision of subsection 1 committed in two or more
6 mortgage lending transactions which have the same or similar
7 purposes, results, accomplices, victims or methods of commission,
8 or are otherwise interrelated by distinguishing characteristics.

9 **Sec. 94.** NRS 239.010 is hereby amended to read as follows:

10 239.010 1. Except as otherwise provided in this section and
11 NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440,
12 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320,
13 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246,
14 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355,
15 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730,
16 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260,
17 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370,
18 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161,
19 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817,
20 130.312, 130.712, 136.050, 159.044, 172.075, 172.245, 176.015,
21 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715,
22 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160,
23 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651,
24 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040,
25 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350,
26 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270,
27 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300,
28 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140,
29 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020,
30 241.030, 241.039, 242.105, 244.264, 244.335, 250.087, 250.130,
31 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195,
32 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438,
33 289.025, 289.080, 289.387, 289.830, 293.5002, 293.503, 293.558,
34 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335,
35 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420,
36 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100,
37 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610,
38 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008,
39 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259,
40 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147,
41 392.264, 392.271, 392.850, 394.167, 394.1698, 394.447, 394.460,
42 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885,
43 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749,
44 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872,
45 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430,



1 432B.560, 433.534, 433A.360, 439.840, 439B.420, 440.170,
2 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665,
3 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 453.720,
4 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866,
5 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240,
6 463.3403, 463.3407, 463.790, 467.1005, 480.365, 481.063, 482.170,
7 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070,
8 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655,
9 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070,
10 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315,
11 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110,
12 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,
13 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336,
14 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301,
15 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085,
16 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075,
17 640A.220, 640B.730, 640C.400, 640C.745, 640C.760, 640D.190,
18 640E.340, 641.090, 641A.191, 641B.170, 641C.760, 642.524,
19 643.189, 644.446, 645.180, 645.625, 645A.050, 645A.082,
20 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135,
21 ~~645E.300, 645E.375,~~ 645G.510, 645H.320, 645H.330, 647.0945,
22 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110,
23 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310,
24 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243,
25 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690,
26 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873,
27 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115,
28 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190,
29 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615,
30 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230,
31 710.159, 711.600, sections 35, 38 and 41 of chapter 478, Statutes of
32 Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013
33 and unless otherwise declared by law to be confidential, all public
34 books and public records of a governmental entity must be open at
35 all times during office hours to inspection by any person, and may
36 be fully copied or an abstract or memorandum may be prepared
37 from those public books and public records. Any such copies,
38 abstracts or memoranda may be used to supply the general public
39 with copies, abstracts or memoranda of the records or may be used
40 in any other way to the advantage of the governmental entity or of
41 the general public. This section does not supersede or in any manner
42 affect the federal laws governing copyrights or enlarge, diminish or
43 affect in any other manner the rights of a person in any written book
44 or record which is copyrighted pursuant to federal law.



1 2. A governmental entity may not reject a book or record
2 which is copyrighted solely because it is copyrighted.

3 3. A governmental entity that has legal custody or control of a
4 public book or record shall not deny a request made pursuant to
5 subsection 1 to inspect or copy or receive a copy of a public book or
6 record on the basis that the requested public book or record contains
7 information that is confidential if the governmental entity can
8 redact, delete, conceal or separate the confidential information from
9 the information included in the public book or record that is not
10 otherwise confidential.

11 4. A person may request a copy of a public record in any
12 medium in which the public record is readily available. An officer,
13 employee or agent of a governmental entity who has legal custody
14 or control of a public record:

15 (a) Shall not refuse to provide a copy of that public record in a
16 readily available medium because the officer, employee or agent has
17 already prepared or would prefer to provide the copy in a different
18 medium.

19 (b) Except as otherwise provided in NRS 239.030, shall, upon
20 request, prepare the copy of the public record and shall not require
21 the person who has requested the copy to prepare the copy himself
22 or herself.

23 **Sec. 95.** NRS 315.99815 is hereby amended to read as
24 follows:

25 315.99815 "Lending institution" means any bank or trust
26 company, Federal National Mortgage Association approved
27 mortgage ~~banker,~~ *company*, national banking association, savings
28 and loan association or other financial institution or governmental
29 agency of the United States which customarily provides service or
30 otherwise aids in the financing of mortgages located in this State.

31 **Sec. 96.** NRS 319.090 is hereby amended to read as follows:

32 319.090 "Lending institution" means any bank or trust
33 company, Federal National Mortgage Association approved
34 mortgage ~~banker,~~ *company*, national banking association, savings
35 and loan association or other financial institution or governmental
36 agency of the United States which customarily provides service or
37 otherwise aids in the financing of mortgages located in this state.

38 **Sec. 97.** NRS 319.173 is hereby amended to read as follows:

39 319.173 1. There is hereby created an Advisory Committee
40 on Housing to review and provide to the Director of the Department
41 of Business and Industry and the Administrator advice,
42 recommendations and other commentary regarding:

43 (a) The investment of money or issuance of obligations by the
44 Division.



1 (b) The development of new programs or the improvement of
2 existing programs of the Division.

3 (c) The improvement of policies and procedures of the Division,
4 including those relating to the dissemination of relevant information
5 to persons who participate in or are otherwise interested in programs
6 of the Division.

7 (d) The administration of the Account for Low-Income Housing.

8 (e) Any other matters referred to the Advisory Committee by the
9 Director or Administrator.

10 2. The Advisory Committee consists of the Director of the
11 Department of Business and Industry or his or her representative,
12 and eight members appointed by the Director. The Director shall
13 appoint to the Advisory Committee:

14 (a) One representative of an association of mortgage ~~bankers~~
15 *companies* in this State, selected from a list of names submitted to
16 the Director by that association.

17 (b) One representative of persons engaged in residential
18 construction in this State.

19 (c) One representative of banks or savings and loan associations
20 in this State who is knowledgeable about making mortgage loans.

21 (d) One member who is knowledgeable about the sale and
22 marketing or the management of real property in this State.

23 (e) One member who is knowledgeable about the development
24 or management of nonprofit housing in this State.

25 (f) One member who is knowledgeable about housing programs
26 sponsored, administered or supported by local governments in this
27 State.

28 (g) One member who is knowledgeable about federal housing
29 programs administered by the Division.

30 (h) One member who is an advocate of affordable housing.

31 ➤ The members of the Advisory Committee are not entitled to any
32 additional compensation for their service in that capacity.

33 3. The Director of the Department of Business and Industry or
34 his or her representative shall serve as the Chair of the Advisory
35 Committee. The Advisory Committee shall meet at least once each
36 calendar quarter, and at the call of the Chair or upon the written
37 request of the Administrator or a majority of the members of the
38 Committee.

39 4. The Administrator shall submit annually to the Advisory
40 Committee for its review, comment and recommendations a work
41 plan for the activities of the Division for the succeeding calendar
42 year. The work plan must include:

43 (a) The expected needs for financing and anticipated demand for
44 tax credits and sources of funding for each of the programs
45 administered by the Division.



1 (b) Strategies for meeting those needs and demands.

2 (c) A plan for resolving any anticipated problems in carrying out
3 those strategies.

4 (d) A plan for the allocation of the resources of the Division,
5 including the allotment of its employees' time, to carry out the work
6 plan in such a manner as to serve the entire area of the State
7 adequately.

8 (e) Any other matters which are critical to the success of any
9 programs administered by the Division.

10 5. Before the:

11 (a) Investment of money of the Division pursuant to NRS
12 319.171; or

13 (b) Submission of findings to the State Board of Finance
14 pursuant to subsection 4 of NRS 319.323,
15 → the Administrator shall submit a plan of investment or a plan of
16 financing, together with any proposed findings relating to that plan,
17 to the Advisory Committee for its review and comment.

18 6. The Administrator shall report to the Advisory Committee at
19 least once each calendar quarter on the activities of the Division and
20 the implementation of the Division's work plan for that year.

21 **Sec. 98.** NRS 363A.050 is hereby amended to read as follows:

22 363A.050 1. Except as otherwise provided in subsection 2,
23 "financial institution" means:

24 (a) An institution licensed, registered or otherwise authorized to
25 do business in this State pursuant to the provisions of title 55 or 56
26 of NRS or chapter 604A ~~H~~ or 645B ~~for 645E~~ of NRS, or a similar
27 institution chartered or licensed pursuant to federal law;

28 (b) A person licensed or registered or required to be licensed or
29 registered pursuant to NRS 90.310, 90.330, 90.453, 686A.340 or
30 688C.190;

31 (c) A person holding or required to hold a solicitation permit or
32 license pursuant to NRS 692B.040, 692B.190 or 692B.260;

33 (d) A person designated or registered or required to be
34 designated or registered pursuant to the Commodity Exchange Act,
35 the Securities Exchange Act of 1934, the Public Utility Holding
36 Company Act of 1935, the Investment Company Act of 1940 or the
37 Investment Advisers Act of 1940, as amended;

38 (e) A person licensed pursuant to 7 U.S.C. § 2009cc-3 to operate
39 as a rural business investment company;

40 (f) A person registered or required to be registered as a savings
41 and loan holding company pursuant to 12 U.S.C. § 1467a;

42 (g) A person registered or required to be registered as a bank
43 holding company pursuant to 12 U.S.C. § 1844;

44 (h) An investment bank holding company supervised pursuant to
45 15 U.S.C. § 78q;



- 1 (i) A person electing to be treated as a business development
2 company pursuant to 15 U.S.C. § 80a-53;
- 3 (j) A person licensed pursuant to 15 U.S.C. § 681 to operate as a
4 small business investment company;
- 5 (k) A person granted final approval pursuant to 15 U.S.C. §
6 689c to operate as a new markets venture capital company;
- 7 (l) A person qualifying as and electing to be considered a real
8 estate investment trust pursuant to 26 U.S.C. § 856;
- 9 (m) A bank, as defined in 12 U.S.C. § 1813(a);
- 10 (n) A savings association, as defined in 12 U.S.C. § 1813(b);
- 11 (o) A savings bank, as defined in 12 U.S.C. § 1813(g);
- 12 (p) A thrift institution, as defined in 12 U.S.C. § 1841(i);
- 13 (q) A national banking association organized under the National
14 Bank Act;
- 15 (r) An entity that is related to any of the entities described in
16 paragraphs (a), (b), (d) to (k), inclusive, and (m) to (q), inclusive,
17 regardless of whether the entity described in any of those paragraphs
18 is doing business in this State; and
- 19 (s) An issuer or a service provider,
20 who is conducting a business activity in this State.
- 21 2. The term does not include:
- 22 (a) A credit union organized under the provisions of chapter 678
23 of NRS or the Federal Credit Union Act;
- 24 (b) A federal land credit association, farm credit bank,
25 agricultural credit association or similar institution organized under
26 the provisions of the Farm Credit Act;
- 27 (c) A person who sells, solicits or negotiates insurance and
28 whose business primarily consists of the sale, solicitation or
29 negotiation of insurance; and
- 30 (d) Any person or other entity that this State is prohibited from
31 taxing under the Constitution, laws or treaties of the United States or
32 the Nevada Constitution.
- 33 3. For the purposes of this section:
- 34 (a) "Credit card" has the meaning ascribed to it in
35 NRS 97A.050.
- 36 (b) "Entity" includes, without limitation, any corporation,
37 limited-liability company, association, organization, company, firm,
38 partnership, joint venture, trust, business trust, receiver, trustee,
39 syndicate, cooperative or assignee, or any other group or
40 combination acting as a unit.
- 41 (c) "Issuer" has the meaning ascribed to it in NRS 97A.100,
42 except that the term does not include a seller of goods or provider of
43 services who issues a credit card for the purpose of providing or
44 extending credit only in connection with the goods he or she sells or
45 the services he or she provides.



1 (d) A business “primarily consists of the sale, solicitation or
2 negotiation of insurance” if more than 50 percent of the annual
3 income of the business from commissions is derived from the sale,
4 solicitation or negotiation of insurance.

5 (e) Entities are “related” if at least 50 percent of the interest,
6 either by vote or value, in each entity is owned, either directly or
7 indirectly, by the same entity, including either of those entities.

8 (f) “Service provider” has the meaning ascribed to it in NRS
9 97A.130, except that the term does not include a service provider
10 who acts in that capacity solely on behalf of a seller of goods or
11 provider of services who issues a credit card for the purpose of
12 providing or extending credit only in connection with the goods he
13 or she sells or the services he or she provides.

14 **Sec. 99.** NRS 604A.250 is hereby amended to read as follows:

15 604A.250 The provisions of this chapter do not apply to:

16 1. Except as otherwise provided in NRS 604A.200, a person
17 doing business pursuant to the authority of any law of this State or
18 of the United States relating to banks, national banking associations,
19 savings banks, trust companies, savings and loan associations, credit
20 unions, mortgage ~~brokers, mortgage bankers,~~ **companies**, thrift
21 companies or insurance companies, including, without limitation,
22 any affiliate or subsidiary of such a person regardless of whether the
23 affiliate or subsidiary is a bank.

24 2. A person who is primarily engaged in the retail sale of goods
25 or services who:

26 (a) As an incident to or independently of a retail sale or service,
27 from time to time cashes checks for a fee or other consideration of
28 not more than \$2; and

29 (b) Does not hold himself or herself out as a check-cashing
30 service.

31 3. A person while performing any act authorized by a license
32 issued pursuant to chapter 671 of NRS.

33 4. A person who holds a nonrestricted gaming license issued
34 pursuant to chapter 463 of NRS while performing any act in the
35 course of that licensed operation.

36 5. A person who is exclusively engaged in a check-cashing
37 service relating to out-of-state checks.

38 6. A corporation organized pursuant to the laws of this State
39 that has been continuously and exclusively engaged in a check-
40 cashing service in this State since July 1, 1973.

41 7. A pawnbroker, unless the pawnbroker operates a check-
42 cashing service, deferred deposit loan service, high-interest loan
43 service or title loan service.

44 8. A real estate investment trust, as defined in 26 U.S.C. § 856.



1 9. An employee benefit plan, as defined in 29 U.S.C. §
2 1002(3), if the loan is made directly from money in the plan by the
3 plan's trustee.

4 10. An attorney at law rendering services in the performance of
5 his or her duties as an attorney at law if the loan is secured by real
6 property.

7 11. A real estate broker rendering services in the performance
8 of his or her duties as a real estate broker if the loan is secured by
9 real property.

10 12. Any firm or corporation:

11 (a) Whose principal purpose or activity is lending money on real
12 property which is secured by a mortgage;

13 (b) Approved by the Federal National Mortgage Association as
14 a seller or servicer; and

15 (c) Approved by the Department of Housing and Urban
16 Development and the Department of Veterans Affairs.

17 13. A person who provides money for investment in loans
18 secured by a lien on real property, on his or her own account.

19 14. A seller of real property who offers credit secured by a
20 mortgage of the property sold.

21 15. A person who makes a refund anticipation loan, unless the
22 person operates a check-cashing service, deferred deposit loan
23 service, high-interest loan service or title loan service.

24 **Sec. 100.** NRS 604A.655 is hereby amended to read as
25 follows:

26 604A.655 1. Except as otherwise provided in this section, a
27 licensee may not conduct the business of making loans within any
28 office, suite, room or place of business in which any other lending
29 business is solicited or engaged in, except an insurance agency or
30 notary public, or in association or conjunction with any other
31 business, unless authority to do so is given by the Commissioner.

32 2. A licensee may conduct the business of making loans in the
33 same office or place of business as ~~f:~~

34 ~~—(a) A~~ a mortgage ~~broker~~ company if:

35 ~~{(1)}~~ (a) The licensee and the mortgage ~~broker:~~ company:

36 ~~{(1)}~~ (1) Maintain separate accounts, books and records;

37 ~~{(H)}~~ (2) Are subsidiaries of the same parent corporation;

38 and

39 ~~{(H)}~~ (3) Maintain separate licenses; and

40 ~~{(2)}~~ (b) The mortgage ~~broker~~ company is licensed by this
41 State pursuant to chapter 645B of NRS and does not receive money
42 to acquire or repay loans or maintain trust accounts as provided by
43 NRS 645B.175.

44 ~~{(b)}~~ A mortgage banker if:

45 ~~—(1) The licensee and the mortgage banker:~~



1 ~~_____ (I) Maintain separate accounts, books and records;~~
2 ~~_____ (II) Are subsidiaries of the same parent corporation; and~~
3 ~~_____ (III) Maintain separate licenses; and~~
4 ~~_____ (2) The mortgage banker is licensed by this State pursuant to~~
5 ~~chapter 645E of NRS and, if the mortgage banker is also licensed as~~
6 ~~a mortgage broker pursuant to chapter 645B of NRS, does not~~
7 ~~receive money to acquire or repay loans or maintain trust accounts~~
8 ~~as provided by NRS 645B.175.]~~

9 3. If a pawnbroker is licensed to operate a check-cashing
10 service, deferred deposit loan service, high-interest loan service or
11 title loan service, the pawnbroker may operate that service at the
12 same office or place of business from which he or she conducts
13 business as a pawnbroker pursuant to chapter 646 of NRS.

14 **Sec. 101.** NRS 657.120 is hereby amended to read as follows:

15 657.120 1. A financial institution may impose and collect a
16 fee or charge, not to exceed an amount specified in or limited by
17 specific statute, for any service it provides to a customer, if the fee
18 or charge is clearly and conspicuously disclosed in writing to the
19 customer before the customer receives the service. A financial
20 institution must provide a customer with written notice of any
21 increase in the fee or charge at least 10 days before the increase
22 becomes effective.

23 2. A fee or charge for the presentation for payment, on a single
24 business day, of multiple checks drawn by a customer on an account
25 for which there is an insufficient balance to pay all the checks, must
26 be determined as if the checks drawn in a single series or class were
27 presented:

- 28 (a) In the order the checks were written;
29 (b) From the lowest check number to the highest check number;
30 or
31 (c) In order of ascending amounts, the check for the smallest
32 sum being presented first.

33 3. As used in this section, "financial institution" means an
34 institution licensed pursuant to the provisions of this title or title 56
35 or chapter 645B ~~+~~ ~~645E~~ or 649 of NRS, or a similar institution
36 chartered or licensed pursuant to federal law.

37 **Sec. 102.** NRS 657.130 is hereby amended to read as follows:

38 657.130 1. As used in this section, unless the context
39 otherwise requires:

40 (a) "Committee to review compliance" means one or more
41 persons assigned or engaged by a financial institution to test, review
42 or evaluate its conduct, transactions or potential transactions,
43 policies or procedures for the purpose of monitoring and improving
44 or enforcing compliance with state and federal statutes and
45 regulations requiring safe, sound and fair lending practices,



1 including, without limitation, acts concerning equal credit
2 opportunity, fair housing, fair lending, flood zone protection,
3 housing and financial discrimination, truth in lending and financial
4 reporting to federal or state regulatory agencies.

5 (b) "Financial institution" means an institution licensed pursuant
6 to the provisions of this title or title 56 or chapter 645B ~~for 645E~~ of
7 NRS, or a similar institution chartered or licensed pursuant to
8 federal law. The term includes, without limitation, a holding
9 company, affiliate or subsidiary of such an institution.

10 2. Except as otherwise voluntarily authorized by the financial
11 institution:

12 (a) A document prepared for or created by a committee to
13 review compliance is confidential and privileged, and is not subject
14 to discovery or admissible in evidence in a civil action of this State,
15 even if it has been submitted to a governmental or regulatory agency
16 of this State, the United States or a foreign government.

17 (b) A member of a committee to review compliance or a person
18 who acted under the direction of the committee cannot be required
19 to testify in a civil action concerning the contents of a document
20 described in paragraph (a) or concerning the discussions or
21 conclusions of, or the actions taken by, the committee.

22 **Sec. 103.** NRS 657.140 is hereby amended to read as follows:

23 657.140 1. Except as otherwise provided in subsection 2, a
24 financial institution shall not include in any loan agreement a
25 provision that allows the financial institution to recover, take,
26 appropriate or otherwise apply as a setoff against any debt or
27 liability owing to the financial institution under the loan agreement
28 money from an account unrelated to the loan agreement to the extent
29 the money is exempt from execution pursuant to paragraph (y) of
30 subsection 1 of NRS 21.090.

31 2. The provisions of subsection 1 do not apply to a provision in
32 a loan agreement that specifically authorizes automatic withdrawals
33 from an account.

34 3. The provisions of this section may not be varied by
35 agreement, and the rights conferred by this section may not be
36 waived. Any provision included in an agreement that conflicts with
37 this section is void.

38 4. As used in this section:

39 (a) "An account unrelated to the loan agreement" includes,
40 without limitation, an account pledged as security under the loan
41 agreement, unless the specific account pledged as security is
42 conspicuously described in the loan agreement.

43 (b) "Financial institution" means an institution licensed pursuant
44 to the provisions of this title or title 56 or chapter 645B ~~for 645E~~



1 or 649 of NRS, or a similar institution chartered or licensed pursuant
2 to federal law.

3 **Sec. 104.** NRS 658.190 is hereby amended to read as follows:

4 658.190 1. The Commissioner of Financial Institutions shall,
5 with the cooperation of the Commissioner of Mortgage Lending,
6 adopt regulations concerning nontraditional mortgage loan products
7 and lending practices of persons and financial institutions that are
8 required to be licensed or registered pursuant to the provisions of
9 titles 55 and 56 and ~~chapters~~ *chapter* 645B ~~and 645E~~ of NRS
10 and which make or offer to make loans that are secured by liens on
11 real property.

12 2. The regulations required to be adopted by subsection 1 must
13 be substantially similar to the provisions set forth in the "Guidance
14 on Nontraditional Mortgage Product Risks" published by the
15 Conference of State Bank Supervisors and the American
16 Association of Residential Mortgage Regulators on November 14,
17 2006.

18 3. If the publication is revised, the Commissioner shall review
19 the revision to determine whether the revision is suitable for this
20 State. If the Commissioner determines that the revision is suitable
21 for this State, he or she shall adopt a regulation that includes the
22 revision.

23 4. If the Commissioner determines that the revision is not
24 suitable for this State, the Commissioner shall hold a hearing within
25 60 days after his or her determination and give notice of the hearing.
26 If, after the hearing, the Commissioner does not revise his or her
27 determination, the Commissioner shall give written notice within 30
28 days after the hearing that the revision is not suitable for this State.

29 5. As used in this section, "nontraditional mortgage loan
30 product":

31 (a) Means a residential loan agreement whose terms allow a
32 borrower to defer repayment of principal or payment of interest on
33 the loan for a period.

34 (b) Includes, without limitation:

35 (1) An interest-only loan; and

36 (2) A payment option adjustable-rate mortgage.

37 (c) Does not include:

38 (1) A home equity line of credit other than a simultaneous
39 second-lien home equity line of credit; or

40 (2) A reverse mortgage.

41 **Sec. 104.5.** NRS 658.210 is hereby amended to read as
42 follows:

43 658.210 1. Except as otherwise provided in NRS 645F.296,
44 any person authorized to engage in activities as a residential
45 mortgage loan originator on behalf of a privately insured institution



1 or organization licensed under title 55 or 56 of NRS shall obtain and
2 maintain a license as a mortgage ~~agent~~ *loan originator*.

3 2. As used in subsection 1:

4 (a) "Mortgage ~~agent~~" *loan originator*" has the meaning
5 ascribed to in NRS 645B.0125; and

6 (b) "Residential mortgage loan originator" has the meaning
7 ascribed to it in NRS 645B.01325.

8 **Sec. 105.** NRS 675.035 is hereby amended to read as follows:

9 675.035 The provisions of this chapter apply to any person
10 who:

11 1. Makes installment loans that are not subject to regulation
12 pursuant to chapter 604A of NRS;

13 2. Is an affiliate, subsidiary or holding company of a bank,
14 national banking association, savings bank, trust company, savings
15 and loan association, credit union, mortgage ~~broker, mortgage~~
16 ~~banker~~ *company*, mortgage servicer as that term is defined in NRS
17 645F.063, thrift company or insurance company; and

18 3. Seeks to evade its application by any device, subterfuge or
19 pretense, including, without limitation:

20 (a) Calling a loan by any other name;

21 (b) Using any agents, affiliates or subsidiaries in an attempt to
22 avoid the application of the provisions of this chapter; or

23 (c) Having any affiliation or other business arrangement with an
24 entity that is exempt from the provisions of this chapter pursuant to
25 subsection 1 of NRS 675.040, the effect of which is to evade the
26 provisions of this chapter, including, without limitation, making a
27 loan while purporting to be the agent of such an exempt entity
28 where the purported agent holds, acquires or maintains a material
29 economic interest in the revenues generated by the loan.

30 **Sec. 106.** NRS 675.040 is hereby amended to read as follows:

31 675.040 This chapter does not apply to:

32 1. Except as otherwise provided in NRS 675.035, a person
33 doing business under the authority of any law of this State or of the
34 United States relating to banks, national banking associations,
35 savings banks, trust companies, savings and loan associations, credit
36 unions, mortgage ~~brokers, mortgage bankers,~~ *companies*, thrift
37 companies, pawnbrokers or insurance companies.

38 2. A real estate investment trust, as defined in 26 U.S.C. § 856.

39 3. An employee benefit plan, as defined in 29 U.S.C. §
40 1002(3), if the loan is made directly from money in the plan by the
41 plan's trustee.

42 4. An attorney at law rendering services in the performance of
43 his or her duties as an attorney at law if the loan is secured by real
44 property.



1 5. A real estate broker rendering services in the performance of
2 his or her duties as a real estate broker if the loan is secured by real
3 property.

4 6. Except as otherwise provided in this subsection, any firm or
5 corporation:

6 (a) Whose principal purpose or activity is lending money on real
7 property which is secured by a mortgage;

8 (b) Approved by the Federal National Mortgage Association as
9 a seller or servicer; and

10 (c) Approved by the Department of Housing and Urban
11 Development and the Department of Veterans Affairs.

12 7. A person who provides money for investment in loans
13 secured by a lien on real property, on his or her own account.

14 8. A seller of real property who offers credit secured by a
15 mortgage of the property sold.

16 9. A person holding a nonrestricted state gaming license issued
17 pursuant to the provisions of chapter 463 of NRS.

18 10. A person licensed to do business pursuant to chapter 604A
19 of NRS with regard to those services regulated pursuant to chapter
20 604A of NRS.

21 **Sec. 107.** NRS 675.230 is hereby amended to read as follows:

22 675.230 1. Except as otherwise provided in subsection 2, a
23 licensee may not conduct the business of making loans under this
24 chapter within any office, suite, room or place of business in which
25 any other business is solicited or engaged in, except an insurance
26 agency or notary public, or in association or conjunction with any
27 other business, unless authority to do so is given by the
28 Commissioner.

29 2. A licensee may conduct the business of making loans
30 pursuant to this chapter in the same office or place of business as ~~†~~

31 ~~—(a) A~~ a mortgage ~~†broker†~~ company if:

32 ~~†(†)†~~ (a) The licensee and the mortgage ~~†broker:†~~ company:

33 ~~†(†)†~~ (1) Operate as separate legal entities;

34 ~~†(†)†~~ (2) Maintain separate accounts, books and records;

35 ~~†(†)†~~ (3) Are subsidiaries of the same parent
36 corporation; and

37 ~~†(†)†~~ (4) Maintain separate licenses; and

38 ~~†(2)†~~ (b) The mortgage ~~†broker†~~ company is licensed by this
39 state pursuant to chapter 645B of NRS and does not receive money
40 to acquire or repay loans or maintain trust accounts as provided by
41 NRS 645B.175.

42 ~~†(b) A mortgage banker if:~~

43 ~~—(1) The licensee and the mortgage banker:~~

44 ~~—(I) Operate as separate legal entities;~~

45 ~~—(II) Maintain separate accounts, books and records;~~



1 ~~— (III) Are subsidiaries of the same parent corporation; and~~
2 ~~— (IV) Maintain separate licenses; and~~
3 ~~— (2) The mortgage banker is licensed by this state pursuant to~~
4 ~~chapter 645E of NRS and, if the mortgage banker is also licensed as~~
5 ~~a mortgage broker pursuant to chapter 645B of NRS, does not~~
6 ~~receive money to acquire or repay loans or maintain trust accounts~~
7 ~~as provided by NRS 645B.175.†~~

8 **Sec. 108.** NRS 690B.180 is hereby amended to read as
9 follows:

10 690B.180 An insurer who issues policies of insurance for home
11 protection, other than casualty insurance, shall not:

12 1. Engage in any other business of insurance or real estate
13 pursuant to chapters 645 to ~~†645E.†~~ 645H, inclusive, of NRS.

14 2. Assume reinsurance from any other insurer.

15 **Sec. 109.** A person who, on January 1, 2020, is the holder of a
16 valid license as a:

17 1. Mortgage broker issued pursuant to NRS 645B.020 and who
18 is otherwise qualified to hold such a license on that date shall be
19 deemed to hold a license as a mortgage company issued pursuant to
20 NRS 645B.020, as amended by section 11 of this act.

21 2. Mortgage banker issued pursuant to NRS 645E.200 and who
22 is otherwise qualified to hold such a license on that date shall be
23 deemed to hold a license as a mortgage company issued pursuant to
24 NRS 645B.020, as amended by section 11 of this act.

25 3. Mortgage agent issued pursuant to NRS 645B.410 and who
26 is otherwise qualified to hold such a license on that date shall be
27 deemed to hold a license as a mortgage loan originator issued
28 pursuant to NRS 645B.410, as amended by section 57 of this act.

29 **Sec. 110.** The regulations of the Commissioner of Mortgage
30 Lending which are codified as chapter 645E of NAC remain in
31 effect and may be enforced with respect to any person who, on
32 January 1, 2020, is the holder of a valid license as a mortgage
33 banker issued pursuant to NRS 645E.200 until the Commissioner
34 adopts regulations to repeal or replace those regulations.

35 **Sec. 111.** The Commissioner of Mortgage Lending shall, on or
36 before January 1, 2020, adopt such regulations as are necessary to
37 carry out the provisions of this act.

38 **Sec. 112.** NRS 645B.035, 645E.010, 645E.020, 645E.030,
39 645E.040, 645E.050, 645E.060, 645E.070, 645E.080, 645E.090,
40 645E.100, 645E.105, 645E.115, 645E.130, 645E.150, 645E.160,
41 645E.165, 645E.170, 645E.200, 645E.210, 645E.220, 645E.230,
42 645E.280, 645E.290, 645E.291, 645E.300, 645E.310, 645E.315,
43 645E.320, 645E.350, 645E.360, 645E.370, 645E.375, 645E.390,
44 645E.420, 645E.430, 645E.440, 645E.470, 645E.620, 645E.630,
45 645E.640, 645E.670, 645E.680, 645E.690, 645E.700, 645E.710,



1 645E.750, 645E.800, 645E.900, 645E.910, 645E.920, 645E.930,
2 645E.950, 645E.955, 645E.960, 645F.050 and 645H.100 are hereby
3 repealed.

4 **Sec. 113.** 1. This section and sections 15.5 and 88.5 of this
5 act become effective upon passage and approval for the purpose of
6 adopting regulations and performing any other preparatory
7 administrative tasks that are necessary to carry out the provisions of
8 this act and on October 1, 2017, for all other purposes.

9 2. Sections 1 to 15, inclusive, 16 to 88, inclusive, and 89 to
10 112, inclusive, of this act become effective upon passage and
11 approval for the purpose of adopting regulations and performing any
12 other preparatory administrative tasks that are necessary to carry out
13 the provisions of this act and on January 1, 2020, for all other
14 purposes.

LEADLINES OF REPEALED SECTIONS

645B.035 Activities authorized by license; dual licensure as mortgage banker and mortgage broker.

645E.010 Definitions.

645E.020 “Applicant” defined.

645E.030 “Commercial mortgage loan” defined.

645E.040 “Commercial property” defined.

645E.050 “Commissioner” defined.

645E.060 “Depository financial institution” defined.

645E.070 “Division” defined.

645E.080 “Institutional investor” defined.

645E.090 “Licensee” defined.

645E.100 “Mortgage banker” defined.

645E.105 “Nationwide Mortgage Licensing System and Registry” and “Registry” defined.

645E.115 “Wholesale lender” defined.

645E.130 Statutory and common-law rights, remedies and punishments unaffected; limitation on actions against State and its officers and employees.

645E.150 Exemptions for certain persons and entities.

645E.160 Certificate of exemption: Application; fee; automatic expiration; prohibitions; administrative fines; authority to file application for purposes of complying with requirements of Registry; applicability.



645E.165 Certificate of exemption: Annual expiration; procedure for renewal; cancellation and reinstatement; fees; duplicate copy; deposit of fees; regulations.

645E.170 Exemptions for certain loans: Grounds for granting; revocation; issuance of statement by Commissioner of reasons for granting, denying or revoking.

645E.200 Application for license; application for branch offices; requirements for issuance of license; grounds for denial of license to partnership, corporation or unincorporated association; license for office outside Nevada which conducts business in Nevada.

645E.210 Payment of child support: Submission of certain information by applicant; grounds for denial of license; duty of Commissioner. [Effective until the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]

645E.220 Posting of license; restrictions on transfer or assignment of license.

645E.230 Activities authorized by license; dual licensure as mortgage banker and mortgage broker.

645E.280 Annual expiration of license; procedure for renewal; cancellation and reinstatement; fees; duplicate copy; deposit of fees; regulations. [Parts of this section were replaced in revision in 2015 by NRS 645E.165.]

645E.290 License required for certain persons who engage in activities as loan originator or who supervise mortgage agents who engage in such activities.

645E.291 Supervision of mortgage agents by mortgage banker; requirements; regulations.

645E.300 Duties of Commissioner: General supervision and control over mortgage bankers; regulations; investigations; annual or biennial examinations; periodic and special audits; hearings; related fees; classification of certain records and information as confidential.

645E.310 Subpoenas; oaths; examination of witnesses; penalty; assessment of costs.

645E.315 Written notice of address change; approval by Commissioner; administrative fine.

645E.320 Payment of statutory assessment by mortgage banker; duty of mortgage banker to cooperate fully with audits and examinations.



645E.350 Records relating to mortgage transactions, financial condition and trust accounts; monthly report to Commissioner; accounting procedures for trust accounts; regulations; records of licensee who operates outside Nevada; mortgage bankers required to submit reports to Registry.

645E.360 Annual financial statement; audit of trust accounts; Commissioner authorized to direct submission of financial statement; regulations.

645E.370 Records of Commissioner: General provisions governing public inspection and confidentiality.

645E.375 Records of Commissioner: Certain records relating to complaint or investigation deemed confidential; certain records relating to disciplinary action deemed public records; disclosure by Commissioner.

645E.390 Notification of certain transfers required; application to Commissioner for approval of change of control; investigation; waiver.

645E.420 Escrow account required for fee, salary, deposit or money paid in advance; release from escrow; exceptions; refunds; penalty.

645E.430 Trust account required for money deposited to pay taxes or insurance premiums; fiduciary duty of mortgage banker; accounting to debtor and Commissioner; additional duties and prohibitions.

645E.440 Limitations on execution or attachment of money in trust account; commingling of money prohibited.

645E.470 Limitations on charging late fee, additional amount of interest or other penalty.

645E.620 Authority of Commissioner when violation is suspected; referral of violations to district attorney for criminal prosecution; civil action for injunctive relief.

645E.630 Authority of Commissioner when unsafe condition or practice is suspected; seizure of property and assets of mortgage banker; duties of Attorney General.

645E.640 Persons entitled to correct unsafe conditions and practices; effect of failure to correct; receivership and liquidation of assets.

645E.670 Authorized disciplinary or other action; grounds for disciplinary action; orders imposing discipline deemed public records.

645E.680 Suspension of license for failure to pay child support or comply with certain subpoenas or warrants; reinstatement of license. [Effective until 2 years after the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and



restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]

645E.690 Duty of Commissioner to take disciplinary action for certain violations.

645E.700 Investigations, actions, disciplinary proceedings, fines and penalties not affected by expiration, revocation or voluntary surrender of license.

645E.710 Act or omission of partner, officer or director deemed act or omission of partnership, corporation or unincorporated association.

645E.750 Duty of Commissioner to provide written notice of disciplinary action or denial of license; right to administrative hearing; entry of final order; appeals.

645E.800 Exercise of jurisdiction over party to civil action; service of summons to confer jurisdiction.

645E.900 Unlawful to conduct business of mortgage banker without being licensed or exempt from licensing.

645E.910 Unlawful for foreign corporation, association or business trust to conduct business of mortgage banker without meeting certain requirements.

645E.920 Contracts for mortgage transaction voidable for certain violations.

645E.930 Civil action authorized for certain violations.

645E.950 Penalties for general violations.

645E.955 Restitution.

645E.960 Penalties for violations relating to escrow or trust accounts.

645F.050 "Mortgage banker" defined.

645H.100 "Mortgage banker" defined.

