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Amendment to AB 490, Reprint 1
Proposed by the
Department of Business and Industry
Sydney Wickliffe, Director

NOT including Washburn Group

Summary of Amendment:

- (1) Removes provisions creating the Board for the Regulation of Mortgage Brokers and Mortgage Agents;
- (2) Removes provisions relating to "registration" of mortgage agents but retains those requiring agents to be "licensed." Requires mortgage agents to be associated with only one mortgage broker at a time;
- (3) Provides for the creation of the "Division of Mortgage Lending" and the "Commissioner of Mortgage Lending" as a self-funded agency within the Department of Business and Industry;
- (4) Amends NRS Chapter 645E to refer to businesses licensed and regulated by that chapter as "mortgage bankers";
- (5) Limits exemption provided in NRS 645B.015(6) AND 645e.150(6) to *only* those companies, and wholly owned subsidiaries, whose *only* activity is funding FNMA, HUD and VA loans;
- (6) Removes provisions for the licensing and registration of mortgage agents working for companies exempt pursuant to NRS 645B.015 (1) and (6) and 645E.150 (1) and (6);
- (7) Provides authority for the Division of Mortgage Lending, and other agencies described in NRS 232.510, to conduct business over the Internet.

1. Amend the bill as a whole be deleting Sections 2, 8, 8.5, 9,10,11, 16, and 27.

2. Amend Section 4 of the bill to read as follows:

Sec. 4. A person shall not act as or provide any of the services of a mortgage agent or otherwise engage in, carry on or hold himself out as engaging in or carrying on the activities of a mortgage agent unless the person [1. Has] has a license as a mortgage agent issued pursuant to section 5 of this act [; and 2. Is registered pursuant to NRS 645B.450].

3. Amend Section 5 of the bill to read as follows:

Sec. 5. 1. To obtain a license as a mortgage agent, a person must:

- (a) Be a natural person;*
- (b) File a written application for a license as a mortgage agent with the office of the Commissioner;*
- (c) Comply with the applicable requirements of this chapter; and*
- (d) Pay an application fee set by the Commissioner of not more than \$185.*

2. An application for a license as a mortgage agent must:

- (a) Be verified;*
- (b) State the name and residence address of the applicant;*
- (c) Include a provision by which the applicant gives his written consent to an investigation of his credit history, criminal history and background;*

(a) Include a verified statement from the mortgage broker with whom he will be associated, expressing the intent of that broker to associate the applicant with him and to be responsible for the applicant's activities as a mortgage agent; and

[d] (e) Include any other information or supporting materials required pursuant to the regulations adopted by the Commissioner or an order of the Commissioner. Such information or supporting materials may include, without limitation, a complete set of fingerprints from the person and other forms of identification of the person.

3. Except as otherwise provided in this chapter, the Commissioner shall issue a license as a mortgage agent to an applicant if:

(a) The application complies with the applicable requirements of this chapter; and

(b) The applicant:

(1) Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude;

(2) Has not had a financial services license suspended or revoked within the immediately preceding 10 years;

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

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

(5) Has a good reputation for honesty, trustworthiness and integrity and displays competence to transact the business of a mortgage agent in a manner which safeguards the interests of the general public. The applicant must submit satisfactory proof of these qualifications to the Commissioner.

4. Money received by the Commissioner pursuant to this section must be placed in the [Investigative Account] Fund for Mortgage Lending created by [NRS 232.545] section 30 of these proposed amendments.

4. Amend Section 6 of the bill to read as follows:

Sec. 6. 1. A license as a mortgage agent issued pursuant to section 5 of this act expires one year after the date the license is issued, unless it is renewed. To renew a license as a mortgage agent, the holder of the license must submit to the Commissioner each year, on or before the date the license expires:

(a) An application for renewal;

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

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

2. If the holder of the license as a mortgage agent fails to submit any item required pursuant to subsection 1 to the Commissioner each year on or before the date the license expires, the license is cancelled. The Commissioner may reinstate a cancelled license if the holder of the license submits to the Commissioner:

(a) An application for renewal;

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

(c) A reinstatement fee of \$75.

3. To be issued a duplicate copy of a license as a mortgage agent, a person must make a satisfactory showing of its loss and pay a fee of \$10.

4. To be issued a license for its unexpired term to change an agent's association to a different mortgage broker, a person must pay a fee of \$10.

[4.] 5. Money received by the Commissioner pursuant to this section must be deposited in the State Treasury for credit to the [State General Fund] Fund for Mortgage Lending.