

Amendment No. 550

Assembly Amendment to Assembly Bill No. 255	(BDR 52-921)
Proposed by: Assembly Committee on Commerce and Labor	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date		SENATE ACTION		Initial and Date			
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

ALA/WLK



Date: 4/19/2017

A.B. No. 255—Provides that provisions governing certain short-term loans apply only to consumer loans. (BDR 52-921)



ASSEMBLY BILL NO. 255—ASSEMBLYMAN HAMBRICK

MARCH 3, 2017

Referred to Committee on Commerce and Labor

SUMMARY—Provides that provisions governing certain short-term loans and installment loans do not apply ~~{only to consumer loans,}~~ to certain extensions of credit. (BDR 52-921)

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

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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 financial services; providing that provisions governing the licensing and regulation of certain short-term loans and installment loans do not apply ~~{only}~~ to ~~{loans made primarily for personal, family or household purposes;}~~ the extension of credit to any person who is not a resident of this State for any business, commercial or agricultural purpose that is located outside of this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law establishes standards and procedures for the licensing and regulations of certain short-term loans, commonly referred to as “payday loans,” high-interest loans and title loans. (Chapter 604A of NRS)

Existing law sets forth the standards and procedures for the licensing and regulations of loans repayable in installments, which include loans that may or may not be made on substantial security and loans for indefinite terms. (Chapter 675 of NRS)

This bill provides that these provisions do not apply ~~{only}~~ to ~~{consumer loans, which are defined as loans made primarily for personal, family or household purposes;}~~ a person who exclusively extends credit to any person who is not a resident of this State for any business, commercial or agricultural purpose that is located outside of this State.

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

Section 1. ~~{NRS 604A.050 is hereby amended to read as follows:~~
~~604A.050 “Deferred deposit loan” means a transaction entered into primarily for personal, family or household purposes in which, pursuant to a loan agreement:~~
~~1. A customer tenders to another person:~~
~~(a) A personal check drawn upon the account of the customer; or~~
~~(b) Written authorization for an electronic transfer of money for a specified amount from the account of the customer; and~~

1 ~~2. The other person:~~
2 ~~(a) Provides to the customer an amount of money that is equal to the face value~~
3 ~~of the check or the amount specified in the written authorization for an electronic~~
4 ~~transfer of money, less any fee charged for the transaction; and~~
5 ~~(b) Agrees, for a specified period, not to cash the check or execute an~~
6 ~~electronic transfer of money for the amount specified in the written authorization.]~~
7 **(Deleted by amendment.)**

8 **Sec. 2.** ~~[NRS 604A.0703 is hereby amended to read as follows:~~
9 ~~604A.0703 1. "High interest loan" means a loan made to a customer~~
10 ~~primarily for personal, family or household purposes pursuant to a loan agreement~~
11 ~~which, under its original terms, charges an annual percentage rate of more than 40~~
12 ~~percent.~~

13 ~~2. The term includes, without limitation, any single payment loan, installment~~
14 ~~loan or open ended loan entered into primarily for personal, family or household~~
15 ~~purposes which, under its original terms, charges an annual percentage rate of more~~
16 ~~than 40 percent.~~

17 ~~3. The term does not include:~~

- 18 ~~(a) A deferred deposit loan;~~
19 ~~(b) A refund anticipation loan; or~~
20 ~~(c) A title loan.] (Deleted by amendment.)~~

21 **Sec. 3.** ~~[NRS 604A.105 is hereby amended to read as follows:~~
22 ~~604A.105 1. "Title loan" means a loan made to a customer primarily for~~
23 ~~personal, family or household purposes pursuant to a loan agreement which, under~~
24 ~~its original terms:~~

25 ~~(a) Charges an annual percentage rate of more than 35 percent; and~~

26 ~~(b) Requires the customer to secure the loan by either:~~

- 27 ~~(1) Giving possession of the title to a vehicle legally owned by the~~
28 ~~customer to the licensee or any agent, affiliate or subsidiary of the licensee; or~~
29 ~~(2) Perfecting a security interest in the vehicle by having the name of the~~
30 ~~licensee or any agent, affiliate or subsidiary of the licensee noted on the title as a~~
31 ~~lienholder.~~

32 ~~2. The term does not include a loan which creates a purchase money security~~
33 ~~interest in a vehicle or the refinancing of any such loan.] (Deleted by amendment.)~~

34 **Sec. 3.3.** **NRS 604A.250 is hereby amended to read as follows:**

35 604A.250 The provisions of this chapter do not apply to:

36 1. Except as otherwise provided in NRS 604A.200, a person doing business
37 pursuant to the authority of any law of this State or of the United States relating to
38 banks, national banking associations, savings banks, trust companies, savings and
39 loan associations, credit unions, mortgage brokers, mortgage bankers, thrift
40 companies or insurance companies, including, without limitation, any affiliate or
41 subsidiary of such a person regardless of whether the affiliate or subsidiary is a
42 bank.

43 2. A person who is primarily engaged in the retail sale of goods or services
44 who:

45 (a) As an incident to or independently of a retail sale or service, from time to
46 time cashes checks for a fee or other consideration of not more than \$2; and

47 (b) Does not hold himself or herself out as a check-cashing service.

48 3. A person while performing any act authorized by a license issued pursuant
49 to chapter 671 of NRS.

50 4. A person who holds a nonrestricted gaming license issued pursuant to
51 chapter 463 of NRS while performing any act in the course of that licensed
52 operation.

1 5. A person who is exclusively engaged in a check-cashing service relating to
2 out-of-state checks.

3 6. A corporation organized pursuant to the laws of this State that has been
4 continuously and exclusively engaged in a check-cashing service in this State since
5 July 1, 1973.

6 7. A pawnbroker, unless the pawnbroker operates a check-cashing service,
7 deferred deposit loan service, high-interest loan service or title loan service.

8 8. A real estate investment trust, as defined in 26 U.S.C. § 856.

9 9. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is
10 made directly from money in the plan by the plan's trustee.

11 10. An attorney at law rendering services in the performance of his or her
12 duties as an attorney at law if the loan is secured by real property.

13 11. A real estate broker rendering services in the performance of his or her
14 duties as a real estate broker if the loan is secured by real property.

15 12. Any firm or corporation:

16 (a) Whose principal purpose or activity is lending money on real property
17 which is secured by a mortgage;

18 (b) Approved by the Federal National Mortgage Association as a seller or
19 servicer; and

20 (c) Approved by the Department of Housing and Urban Development and the
21 Department of Veterans Affairs.

22 13. A person who provides money for investment in loans secured by a lien
23 on real property, on his or her own account.

24 14. A seller of real property who offers credit secured by a mortgage of the
25 property sold.

26 15. A person who makes a refund anticipation loan, unless the person
27 operates a check-cashing service, deferred deposit loan service, high-interest loan
28 service or title loan service.

29 16. A person who exclusively extends credit to any person who is not a
30 resident of this State for any business, commercial or agricultural purpose that is
31 located outside of this State.

32 **Sec. 3.7. NRS 675.040 is hereby amended to read as follows:**

33 675.040 This chapter does not apply to:

34 1. Except as otherwise provided in NRS 675.035, a person doing business
35 under the authority of any law of this State or of the United States relating to banks,
36 national banking associations, savings banks, trust companies, savings and loan
37 associations, credit unions, mortgage brokers, mortgage bankers, thrift companies,
38 pawnbrokers or insurance companies.

39 2. A real estate investment trust, as defined in 26 U.S.C. § 856.

40 3. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is
41 made directly from money in the plan by the plan's trustee.

42 4. An attorney at law rendering services in the performance of his or her
43 duties as an attorney at law if the loan is secured by real property.

44 5. A real estate broker rendering services in the performance of his or her
45 duties as a real estate broker if the loan is secured by real property.

46 6. Except as otherwise provided in this subsection, any firm or corporation:

47 (a) Whose principal purpose or activity is lending money on real property
48 which is secured by a mortgage;

49 (b) Approved by the Federal National Mortgage Association as a seller or
50 servicer; and

51 (c) Approved by the Department of Housing and Urban Development and the
52 Department of Veterans Affairs.

1 7. A person who provides money for investment in loans secured by a lien on
2 real property, on his or her own account.

3 8. A seller of real property who offers credit secured by a mortgage of the
4 property sold.

5 9. A person holding a nonrestricted state gaming license issued pursuant to
6 the provisions of chapter 463 of NRS.

7 10. A person licensed to do business pursuant to chapter 604A of NRS with
8 regard to those services regulated pursuant to chapter 604A of NRS.

9 11. A person who exclusively extends credit to any person who is not a
10 resident of this State for any business, commercial or agricultural purpose that is
11 located outside of this State.

12 Sec. 4. This act becomes effective upon passage and approval.