

Amendment No. 571

Senate Amendment to Assembly Bill No. 284	(BDR 54-941)
<b>Proposed by:</b> Senate Committee on Commerce and Labor	
<b>Amends:</b> Summary: No Title: No 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.

VDW/BJF



Date: 5/20/2023

A.B. No. 284—Authorizes the business of a mortgage company to be conducted from a remote location under certain circumstances.  
(BDR 54-941)





ASSEMBLY BILL NO. 284—ASSEMBLYWOMAN KASAMA

MARCH 14, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Authorizes the business of a mortgage company to be conducted from a remote location under certain circumstances. (BDR 54-941)

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 companies; authorizing an employee of a mortgage company, including a mortgage loan originator employed by or associated with the mortgage company, to conduct the business of the mortgage company at a remote location under certain circumstances; setting forth certain requirements and restrictions concerning the conducting of the business of a mortgage company at a remote location; requiring the Commissioner of Mortgage Lending to adopt certain regulations; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires an applicant for a license as a mortgage company to state in the  
2 application: (1) for an applicant who is not a wholesale lender, the location of each principal  
3 office and branch office at which the mortgage company will conduct business in this State;  
4 and (2) the location of any principal office, office or other place of business located outside  
5 this State from which the mortgage company will conduct business in this State. Existing law  
6 also requires a mortgage company that will conduct business at one or more branch offices to  
7 apply for a license for each branch office. (NRS 645B.020)

8 **Section 1** of this bill authorizes an employee of a mortgage company, including, without  
9 limitation, a mortgage loan originator employed by or associated with the mortgage company,  
10 to conduct the business of the mortgage company at a remote location if authorized by the  
11 mortgage company. **Section 1** defines “remote location” to mean, in general, any location,  
12 including the residence of an employee, that is not a location for which a license as a  
13 mortgage company has been issued. **Section 1** sets forth certain requirements for a mortgage  
14 company to authorize an employee to conduct the business of the mortgage company at a  
15 remote location. Additionally, **section 1** prohibits: (1) an employee from interacting with a  
16 customer in person at the residence of the employee; and (2) the maintenance of physical  
17 records at a remote location. Finally, **section 1** requires : (1) a mortgage company to  
18 maintain certain records relating to business conducted at a remote location at its  
19 principal office or a branch office; and (2) the Commissioner of Mortgage Lending to adopt  
20 regulations governing the conducting of the business of a mortgage company at a remote  
21 location that include, without limitation, requirements for the keeping and maintenance of  
22 records for mortgage transactions made by an employee at a remote location.

Existing law requires each mortgage company to keep and maintain at each location where the mortgage company conducts business in this State records of all mortgage transactions made by the mortgage company at that location. (NRS 645B.080) **Section 2** of this bill exempts a remote location from that requirement and instead requires a mortgage company to keep and maintain records of all mortgage transactions made by an employee at a remote location in accordance with the requirements established by the Commissioner by regulation pursuant to **section 1**.

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

**Section 1.** Chapter 645B of NRS is hereby amended by adding thereto a new section to read as follows:

*1. An employee of a mortgage company may conduct the business of the mortgage company at a remote location if authorized by the mortgage company.*

*2. A mortgage company may authorize an employee to conduct the business of the mortgage company at a remote location if the mortgage company:*

*(a) Has adopted written policies and procedures for the supervision of employees working at a remote location to ensure that:*

*(1) Each employee working from a remote location complies with the provisions of this section and the regulations adopted pursuant thereto; and*

*(2) The mortgage company exercises reasonable supervision and control over the activities of his or her mortgage loan originators pursuant to NRS 645B.460;*

*(b) Has adopted a comprehensive written plan for the security of the information systems of the mortgage company and any customer information collected and maintained by the mortgage company ~~for~~, which must contain specific provisions regarding cybersecurity and the use of a virtual private network or other secure connection at the remote location that requires:*

*(1) Multifactor authentication;*

*(2) A backup system and data recovery system; and*

*(3) Protocols in the event of a cybersecurity incident; and*

*(c) Ensures that the information systems of the mortgage company and any customer information collected and maintained by the mortgage company are accessed by employees working at a remote location only in accordance with the security plan adopted pursuant to paragraph (b).*

*3. An employee of a mortgage company shall not interact with a customer of the mortgage company in person at the residence of the employee unless a license has been issued for that residence pursuant to NRS 645B.020.*

*4. Any physical records of a mortgage company must not be maintained at a remote location. Any underlying origination records obtained through the conduct of the business of a mortgage company at a remote location must be maintained at the principal office or a branch office of the mortgage company.*

*5. The Commissioner shall adopt regulations governing the conducting of the business of a mortgage company at a remote location. The regulations:*

*(a) Must include, without limitation, requirements for the keeping and maintenance of complete and suitable records of all mortgage transactions made by an employee of a mortgage company at a remote location; and*

*(b) May include, without limitation, any additional requirements for an employee of a mortgage company to conduct the business of a mortgage company from a remote location.*

*6. As used in this section:*

1           (a) *“Business of a mortgage company” includes, without limitation, any*  
2 *activity for which a license is required pursuant to this chapter that is conducted*  
3 *by an employee who is a mortgage loan originator employed by or associated with*  
4 *a mortgage company.*

5           (b) *“Employee” includes, without limitation, a mortgage loan originator who*  
6 *is employed by or associated with a mortgage company.*

7           (c) *“Remote location” means a location, other than a principal office,*  
8 *branch office or other office or place of business for which a license has been*  
9 *issued pursuant to NRS 645B.020, at which an employee of a mortgage company*  
10 *conducts the business of the mortgage company pursuant to this section. The*  
11 *term includes, without limitation, the residence of an employee.*

12       **Sec. 2.** NRS 645B.080 is hereby amended to read as follows:

13       645B.080 1. Each mortgage company shall keep and maintain at all times at  
14 each location , *other than a remote location*, where the mortgage company  
15 conducts business in this state complete and suitable records of all mortgage  
16 transactions made by the mortgage company at that location. Each mortgage  
17 company shall also keep and maintain at all times at each such location all original  
18 books, papers and data, or copies thereof, clearly reflecting the financial condition  
19 of the business of the mortgage company. *Each mortgage company shall keep and*  
20 *maintain complete and suitable records of all mortgage transactions made by an*  
21 *employee of the mortgage company at a remote location in accordance with the*  
22 *requirements established by the Commissioner by regulation pursuant to section*  
23 *1 of this act.*

24       2. Except as otherwise provided in subsection 3, each mortgage company  
25 shall submit to the Commissioner each month a report of the mortgage company’s  
26 activity for the previous month. The report must:

27       (a) Specify the volume of loans arranged and loans made by the mortgage  
28 company for the month or state that no loans were arranged or made in that month;

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

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

33       3. The Commissioner may waive the requirement to submit a report pursuant  
34 to subsection 2 if substantially similar information is available to the Commissioner  
35 from another source.

36       4. The Commissioner may adopt regulations prescribing accounting  
37 procedures for mortgage companies handling trust accounts and the requirements  
38 for keeping records relating to such accounts.

39       5. Each mortgage company who is required to register or voluntarily registers  
40 with the Registry shall submit to the Registry and the Commissioner a report of  
41 condition or any other report required by the Registry in the form and at the time  
42 required by the Registry.

43       **6. As used in this section, “remote location” has the meaning ascribed to it**  
44 **in section 1 of this act.**

45       **Sec. 3.** 1. This section becomes effective upon passage and approval.

46       2. Sections 1 and 2 of this act become effective:

47       (a) Upon passage and approval for the purpose of adopting any regulations and  
48 performing any other preparatory administrative tasks that are necessary to carry  
49 out the provisions of this act; and

50       (b) On January 1, 2024, for all other purposes.