STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING
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BRIAN SANDOVAL
Governor

BRUCE BRESLOW
Director

JAMES WESTRIN
Commissioner

Memorandum

Date: July 1, 2015

To: All Licensees

Re: Important Information Regarding 2015 Legislative Changes to NRS 645A, NRS 645B, NRS 645E, and NRS 645F

The 78th Session of the Nevada Legislature resulted in several legislative changes to Chapters 645A, 645B, 645E, and 645F of the Nevada Revised Statutes (the "Statutes") and will affect licensees under each chapter. The purpose of this memorandum is to summarize the primary amendments affecting the Statutes that were contained in AB 270 and AB 480. A complete copy of the bills can be accessed under "MLD Updates" on the Division's website. Following is a brief synopsis of the essential sections of the bills, separated by affected chapters.

Assembly Bill No. 270 – effective July 1, 2015:

Section 2.7 amends NRS 645B.015(8) to insert an exemption category for a seller that makes 5 or fewer residential mortgage loans in a 12 month period that are secured by a manufactured home, as that term is defined in NRS 118B.015.

Assembly Bill No. 480 – effective June 9, 2015 for purposes of adopting regulations and performing other preparatory tasks necessary to carry out the legislation and January 1, 2016 for all other purposes.

NRS 645A -- Escrow Agencies:

Section 4 authorizes the Commissioner to participate in the nationwide licensing registry for the licensing of escrow agencies and escrow agents. The date for transition to the Nationwide Mortgage Licensing System (NMLS) has not been determined but ample advance notice,

information, and assistance will be available to current licensees and new license applicants. A number of states are currently licensing the escrow and other financial services businesses that they regulate through the NMLS.

Section 5 expressly states that an escrow agent may not provide escrow servicers for, or be compensated for escrow services by, any escrow agency with whom the escrow agent is not employed and associated.

Section 6 provides a definition of several terms, including "business of administering escrows", "client", "control person", and "registry". This section also removes third party loan servicers from the definition and clarifies that an "escrow agent" is a natural person.

Section 7 Amends NRS 645A.015 and prohibits any person from engaging in the business of administering escrows in this state or with respect to any real or personal property located in this state without first obtaining a license, unless they fall within one of the statutory exemptions. This section also limits the exemption for attorneys to those licensed in this state.

Section 8 Amends NRS 645A.020 to include an initial application and renewal application process and generally revises the application requirements. This section also clarifies that an applicant and licensee have a continuing obligation to provide written notification to the Commissioner of any material change in the information contained in the initial or renewal application.

Section 9 Amends NRS 645A.032 by removing the requirement that a license issued have the seal of the Division imprinted thereon.

Section 10 Amends NRS 645A.036 to remove the in-state office requirement for escrow agencies.

NRS 645B – Mortgage Brokers and Mortgage Agents:

Section 15 Provides a definition for "wholesale lender" to include a person who holds himself or herself out as a mortgage broker but does not directly take or receive an application from, or negotiate terms with, a borrower.

Section 15.6 Amends the definition of "mortgage broker" in NRS 645B.0127 to clarify that it includes a "wholesale lender."

Section 15.8 Amends NRS 645B.020 to remove the in-state office requirement to obtain a license for a mortgage broker that only acts as a wholesale lender and allows for the submission of electronic records.

Section 16 Amends NRS 645B.050 to increase the application and licensing fees to obtain a mortgage broker branch office license.

Section 17 Amends NRS 645B.430 to allow the fee to change the mortgage broker with whom a mortgage agent is associated to an amount not to exceed $50 which shall be set by regulation.

NRS 645E -- Mortgage Bankers:

Section 18 Provides a definition for "wholesale lender" to include a person who holds himself or herself out as a mortgage banker but does not directly take or receive an application from, or negotiate terms with, a borrower.

Section 18.6 Amends the definition of "mortgage banker" in NRS 645E.100 to clarify that it includes a "wholesale lender."

Section 18.8 Amends NRS 645E.200 to remove the in-state office requirement to obtain a license for a mortgage banker that only acts as a wholesale lender and allows for the submission of electronic records.

Section 19 Amends NRS 645E.280 to increase the application and licensing fees to obtain a mortgage banker branch office license.

NRS 645F – Mortgage Servicers:

Sections 86.2 through 86.7 of AB 480 generally express the legislature's intent that mortgage servicers be licensed and supervised in Nevada. The legislation sets forth a definition of "mortgage servicer" and prohibits a person from engaging in the business of a mortgage servicer in Nevada without first obtaining a license, unless they are otherwise exempt under the bill. The legislation requires the Commissioner to adopt regulations to implement the licensing and supervisory program. Further information concerning mortgage servicer licensing and supervision, including regulation workshops and hearings and licensing timelines, will be posted on our website and emailed to licensees in the near future.

Section 86.2 Defines the term "mortgage servicer" to include a person who "directly services a mortgage loan, or who is responsible for interacting with a borrower, managing a loan account on a daily basis…"

Section 86.3 Prohibits a person from engaging in "the business of a mortgage servicer" or holding "himself or herself out as a mortgage servicer" in this State without a license, unless they are otherwise exempt.

Section 86.4 Requires the commissioner to adopt regulations to establish licensing and supervision requirements and to carry out the provisions of the bill.

Section 86.5 Requires a mortgage servicer to comply with the CFPB mortgage servicer rules and any other applicable federal or state law or regulation. This section further provides examination and investigation authority and disciplinary authority for violations.

Section 86.6 Requires an applicant or licensee to submit any application, renewal, form or filing, fine, or fee to the Commissioner through the registry (NMLS).

Section 86.7 Sets forth several exemptions to the applicability of the licensing and supervision provisions.