

# PROPOSED REGULATION OF THE DIVISION OF MORTGAGE LENDING

(NAC 645F governing Mortgage Lending and Related Professions)

NAC 645F, as comprised of the *Nevada Covered Service Provider Regulations*  
and

NAC 645F, as comprised of the *Nevada Mortgage Servicer Regulations*

LCB File No. \_\_\_\_\_-18

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

AUTHORITY: §§1--5, NRS 645F.390 and sections 1–5 of Senate Bill No. 69, chapter 518, Statutes of Nevada 2017; §§6-10, NRS 645F.510 and 645F.520, and sections 1—5 of Senate Bill No. 69, chapter 518, Statutes of Nevada 2017.

**Section 1.** Chapter 645F of NAC is hereby amended by adding to the Nevada Covered Service Provider Regulations, the provisions set forth as sections 2 to 5, inclusive, of this regulation.

**Sec. 2.** *1. The Commissioner may issue by endorsement an initial license to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, to an applicant who is a natural person and meets the requirements set forth in this section. An applicant may submit to the Commissioner an application for initial license by endorsement if at the time of the application, the applicant:*

*(a) Holds a corresponding valid and unrestricted license to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, in the District of Columbia or any state or territory of the United States; and*

*(b) Possesses qualifications that are equal to or substantially similar to the qualifications required for issuance of a license to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, in this State.*

*2. An applicant for a license by endorsement pursuant to this section must submit to the Commissioner with his or her application:*

*(a) Proof satisfactory to the Commissioner that the applicant:*

*(1) Satisfies the requirements of section 2, subsection 1 of this regulation;*

*(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;*

*(3) Is and has been licensed to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, in the District of Columbia or any state or territory of the United States, for a period of at least 5 continuous years immediately preceding the date on which the application is submitted (2 years of which must constitute verifiable experience working in the real estate, mortgage, foreclosure or loan modification industries or applicable financial or legal fields);*

*(4) Has successfully completed the hours of education or training required for the corresponding covered service provider license, foreclosure consultant license, or loan modification consultant license, in the District of Columbia or the state or territory of the United States in which he or she is currently licensed (the curriculum of which includes subject matters deemed by the Commissioner to be equivalent to the instruction required or approved by the Commissioner in this State);*

*(5) Has not been disciplined by the corresponding regulatory authority of the District of Columbia or any state or territory in which the applicant currently holds or has held a license to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant;*

*(6) Has not been held civilly or criminally liable in the District of Columbia or any state or territory of the United States for misconduct relating to his or her activities as a covered service provider, foreclosure consultant, or loan modification consultant;*

*(7) Has not had a license to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, suspended or revoked in the District of Columbia or any state or territory of the United States;*

*(8) Has not been refused a license to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, in the District of Columbia or any state or territory of the United States for any reason;*

*(9) Does not have pending any disciplinary action concerning his or her license to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, in the District of Columbia or any state or territory of the United States;*

*(b) A complete set of his or her fingerprints and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report, or proof satisfactory to the Commissioner that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the Nevada application is submitted;*

*(c) In compliance with NAC 645F.215 for issuance of a covered service provider license, foreclosure consultant license, or loan modification consultant license, and as required by NRS 425.520, a statement or declaration describing whether or not the applicant is subject to a court order for the support of a child and whether or not the applicant is in*

*compliance with such order or plan approved by the district attorney or other public agency enforcing such order;*

*(d) A surety bond that meets the requirements of NAC 645F.605 or NAC 645F.610;*

*(e) An independently audited financial statement with satisfactory proof that the applicant is in such financial condition that the applicant can maintain or continue in business;*

*(f) Any other information which the Commissioner deems necessary to conduct the activities of a covered service provider, foreclosure consultant, or loan modification consultant, or any other information requested by the Commissioner in connection with the evaluation and investigation of the applicant's qualifications and suitability for licensure pursuant to the Nevada Covered Service Provider Regulations or chapter 645F of NRS;*

*(g) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and*

*(h) Pays the fee for filing application for licensure by endorsement in the amount and manner as otherwise required for an applicant to obtain a covered service provider license, foreclosure consultant license, or loan modification consultant license, in this State.*

*3. Not later than 21 business days after receiving an application for a license by endorsement to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, pursuant to this section, the Commissioner shall provide written notice to the applicant of any additional information required by the Commissioner to consider the application. Unless the Commissioner denies the application for good cause, the Commissioner shall approve the application and issue a license by endorsement to engage in*

*the activities of a covered service provider, foreclosure consultant, or loan modification consultant, not later than:*

*(a) Sixty days after receiving the application; or*

*(b) 15 days after the Commissioner receives a criminal-background report from the Federal Bureau of Investigation, or proof satisfactory to the Commissioner that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the Nevada application is submitted; or*

*(c) 15 days after the filing of the surety bond as required by section 2, subsection 2, paragraph (d) of this regulation, with the Commissioner, whichever occurs later.*

**Sec. 3.** *The Commissioner may deny an application for licensure by endorsement if:*

*(a) An applicant willfully fails to comply with the provisions of section 2, subsection 2, paragraph (b) of this regulation; or*

*(b) The report from the Federal Bureau of Investigation indicates that the applicant has been convicted of a crime that would be grounds for taking disciplinary action against the applicant as a licensee and the Commissioner has not previously taken disciplinary action against the licensee based on that conviction; or*

*(c) Grounds for license denial exist based upon any other lawful reason or pursuant to any other provision of law.*

**Sec. 4.** *To the extent consistent with the provisions of sections 1—5 of Senate Bill 69, chapter 518, Statutes of Nevada 2017, and section 2 of this regulation, issuance of a license by endorsement to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, pursuant to chapter 645 of NRS and the Nevada Covered*

*Service Provider Regulations, subjects that licensee to the same rights, duties, obligations, limitations, standards, and conditions of doing business, as well as to the same authorized disciplinary actions, as is otherwise prescribed for licensed covered service providers, licensed foreclosure consultants, and licensed loan modification consultants, pursuant to the Nevada Covered Service Provider Regulations or chapter 645F of NRS.*

**Sec. 5.** *To the extent consistent with sections 1—5 of Senate Bill 69, chapter 518, Statutes of Nevada 2017, and section 2 of this regulation, issuance of a license by endorsement to engage in the activities of a covered service provider, foreclosure consultant, or loan modification consultant, pursuant to the Nevada Covered Service Provider Regulations or chapter 645F of NRS, and requires that licensee to comply with the same continuing education and license-renewal requirements for retention of his or her license as is otherwise required for licensed covered service providers, licensed foreclosure consultants, and licensed loan modification consultants, pursuant to the Nevada Covered Service Provider Regulations or chapter 645F of NRS.*

**Sec. 6.** Chapter 645F of NAC is hereby amended by adding to the Nevada Mortgage Servicer Regulations, the provisions set forth as sections 7 to 10, inclusive, of this regulation.

**Sec. 7.** *1. The Commissioner may issue by endorsement an initial license to engage in the activities of a mortgage servicer to an applicant who is a natural person and meets the requirements set forth in this section. An applicant may submit to the Commissioner an application for initial license by endorsement if at the time of the application, the applicant:*

*(a) Is registered through the Registry;*

*(b) Holds a corresponding valid and unrestricted license to engage in the activities of a mortgage servicer in the District of Columbia or any state or territory of the United States; and*

*(c) Possesses qualifications that are equal to or substantially similar to the qualifications required for issuance of a license to engage in the activities of a mortgage servicer in this State.*

*2. An applicant for a license by endorsement pursuant to this section must submit to the Commissioner with his or her application:*

*(a) Proof satisfactory to the Commissioner that the applicant:*

*(1) Satisfies the requirements of section 7, subsection 1 of this regulation;*

*(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;*

*(3) Is and has been licensed to engage in the activities of a mortgage servicer in the District of Columbia or any state or territory of the United States for a period of at least 5 continuous years immediately preceding the date on which the application is submitted (2 years of which must constitute verifiable experience in the business of servicing mortgage loans);*

*(4) Has successfully completed the hours of education or training required for the corresponding mortgage servicer license in the District of Columbia or the state or territory of the United States in which he or she is currently licensed (the curriculum of which includes subject matters deemed by the Commissioner to be equivalent to the instruction required or approved by the Commissioner in this State);*

*(5) Has not been disciplined by the corresponding regulatory authority of the District of Columbia or any state or territory in which the applicant currently holds or has held a license to engage in the activities of a mortgage servicer;*

*(6) Has not been held civilly or criminally liable in the District of Columbia or any state or territory of the United States for misconduct relating to his or her activities as a mortgage servicer;*

*(7) Has not had a license to engage in the activities of a mortgage servicer suspended or revoked in the District of Columbia or any state or territory of the United States;*

*(8) Has not been refused a license to engage in the activities of a mortgage servicer in the District of Columbia or any state or territory of the United States for any reason;*

*(9) Does not have pending any disciplinary action concerning his or her license to engage in the activities of a mortgage servicer in the District of Columbia or any state or territory of the United States;*

*(b) A complete set of his or her fingerprints (unless already submitted through the Registry) and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report, or proof satisfactory to the Commissioner that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the Nevada application is submitted;*

*(c) In compliance with NAC 645F.954 for issuance of a mortgage servicer license, and as required by NRS 425.520, a statement or declaration describing whether or not the applicant is subject to a court order for the support of a child and whether or not the applicant*



*is in compliance with such order or plan approved by the district attorney or other public agency enforcing such order;*

*(d) A surety bond that meets the requirements of NAC 645F.970;*

*(e) An independently audited financial statement which is compliant with the requirements of NAC 645F.973 and which demonstrates that the applicant will be able to maintain continuously the minimum net worth required pursuant to NAC 645F.974;*

*(f) Any other information which the Commissioner deems necessary to conduct the activities of a mortgage servicer, or any other information requested by the Commissioner in connection with the evaluation and investigation of the applicant's qualifications and suitability for licensure, pursuant to chapter 645F of NRS and the Nevada Mortgage Servicer Regulations;*

*(g) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and*

*(h) Pays the fee for filing application for licensure by endorsement in the amount and manner as otherwise required for an applicant to obtain a mortgage servicer license in this State.*

*3. 4. Not later than 21 business days after receiving an application for a license by endorsement to engage in the activities of a mortgage servicer pursuant to this section, the Commissioner shall provide written notice to the applicant of any additional information required by the Commissioner to consider the application. Unless the Commissioner denies the application for good cause, the Commissioner shall approve the application and issue a license by endorsement to engage in the activities of a mortgage servicer, not later than:*

*(a) Sixty days after receiving the application; or*

*(b) 15 days after the Commissioner receives a criminal-background report from the Federal Bureau of Investigation, or proof satisfactory to the Commissioner that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the Nevada application is submitted; or*

*(c) 15 days after the filing of the surety bond as required by section 7, subsection 2, paragraph (d) of this regulation, with the Commissioner, whichever occurs later.*

**Sec. 8.** *The Commissioner may deny an application for licensure by endorsement if:*

*(a) An applicant willfully fails to comply with the provisions of section 7, subsection 2, paragraph (b) of this regulation; or*

*(b) The report from the Federal Bureau of Investigation indicates that the applicant has been convicted of a crime that would be grounds for taking disciplinary action against the applicant as a licensee and the Commissioner has not previously taken disciplinary action against the licensee based on that conviction; or*

*(c) Grounds for license denial exist based upon any other lawful reason or pursuant to any other provision of law.*

**Sec. 9.** *To the extent consistent with the provisions of sections 1—5 of Senate Bill 69, chapter 518, Statutes of Nevada 2017, and section 7 of this regulation, issuance of a license by endorsement to engage in the activities of a mortgage servicer pursuant to chapter 645F of NRS and the Nevada Mortgage Servicer Regulations, subjects that licensee to the same rights, duties, obligations, limitations, standards, and conditions of doing business, as well as to the same authorized disciplinary actions, as is otherwise prescribed for licensed mortgage servicers pursuant to chapter 645F of NRS and the Nevada Mortgage Servicer Regulations.*

**Sec. 10.** *To the extent consistent with sections 1—5 of Senate Bill 69, chapter 518, Statutes of Nevada 2017, and section 7 of this regulation, issuance of a license by endorsement to engage in the activities of a mortgage servicer pursuant to chapter 645F or NRS or the Nevada Mortgage Servicer Regulations, requires that licensee to comply with the same continuing education and license-renewal requirements for retention of his or her license as is otherwise required for licensed mortgage servicers pursuant to chapter 645F of NRS and the Nevada Mortgage Servicer Regulations.*