

CHAPTER.....

AN ACT relating to mortgage lending; revising provisions which apply to mortgage brokers to also apply to mortgage bankers; revising the terms which identify mortgage brokers, mortgage agents and mortgage bankers; revising provisions governing bonds required for mortgage brokers and mortgage bankers; revising certain exemptions from licensing requirements for mortgage brokers and mortgage bankers; repealing provisions relating to mortgage bankers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law prohibits a person from offering or providing any of the services of a mortgage broker or mortgage banker unless the person first obtains a license as a mortgage broker or mortgage banker, as applicable, or is exempt from licensing. (NRS 645B.900, 645E.900) This bill repeals the provisions of law that regulate mortgage bankers and revises the provisions of law that currently regulate mortgage brokers to apply to both mortgage brokers and mortgage bankers, both of which are now included in the term “mortgage company.” Specifically, **section 6** of this bill defines “mortgage company” to include all persons who previously were mortgage brokers or mortgage bankers. Additionally, the term “mortgage agent” is changed to “mortgage loan originator.” **Section 11** of this bill revises provisions relating to licensing as a mortgage broker to apply to licensing as a mortgage company. **Sections 15.5 and 16** of this bill revise the requirements for the form of certain bonds required for mortgage brokers and mortgage bankers. **Section 88.5** of this bill revises the provisions governing exemptions for certain entities from the requirements for licensure as a mortgage broker or mortgage banker. **Section 110** of this bill deems any person who holds a license as a mortgage broker or mortgage banker on January 1, 2020, to hold a license as a mortgage company. **Section 112** of this bill repeals the provisions of existing law which apply to mortgage bankers as such provisions are made redundant by the provisions of this bill.

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

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

Section 1. NRS 645A.173 is hereby amended to read as follows:

645A.173 1. If an escrow for the sale of real property is established, the holder of the escrow shall, on the date of establishment of the escrow, record in writing the number and the date of expiration of the:

- (a) License issued pursuant to chapter 645 of NRS; or
- (b) Certificate of cooperation issued pursuant to NRS 645.605,



↳ of any real estate broker, broker-salesperson or salesperson who will be paid compensation from money held in the escrow for performing the services of a real estate broker, broker-salesperson or salesperson in the transaction that is the subject of the escrow. The holder of the escrow is not required to verify independently the validity of the number of the license or certificate.

2. If an escrow for the sale of real property is established and the real property is or will be secured by a mortgage or deed of trust, the holder of the escrow shall, on the date of establishment of the escrow, record in writing the number and the date of expiration of the license issued pursuant to chapter 645B ~~[or 645E]~~ of NRS of any mortgage ~~[broker or mortgage banker]~~ **company** associated with the mortgage or deed of trust. The holder of the escrow is not required to verify independently the validity of the number of the license.

Sec. 2. NRS 645A.215 is hereby amended to read as follows:

645A.215 1. Except as otherwise provided in subsection 2, a licensee may not conduct the business of administering escrows for compensation within any office, suite, room or place of business in which any other business is solicited or engaged in, except a notary public, or in association or conjunction with any other business, unless authority to do so is given by the Commissioner.

2. A licensee may conduct the business of administering escrows pursuant to this chapter in the same office or place of business as a mortgage ~~[banker]~~ **company** if:

(a) The licensee and the mortgage ~~[banker]~~ **company**:

- (1) Operate as separate legal entities;
- (2) Maintain separate accounts, books and records;
- (3) Are subsidiaries of the same parent corporation; and
- (4) Maintain separate licenses; and

(b) The mortgage ~~[banker]~~ **company** is licensed by this state pursuant to chapter ~~[645E]~~ **645B** of NRS . ~~[and does not conduct any business as a mortgage broker licensed pursuant to chapter 645B of NRS in the office or place of business.]~~

Sec. 2.1. Chapter 645B of NRS is hereby amended by adding thereto the provisions set forth as sections 2.2 to 2.5, inclusive, of this act.

Sec. 2.2. *“Applicant” means a person who applies for licensure as a mortgage company pursuant to this chapter.*

Sec. 2.3. *“Commercial mortgage loan” means a loan primarily for a business, commercial or agricultural purpose that:*

1. Directly or indirectly, is secured by a lien on commercial property; and



2. Is created with the consent of the owner of the commercial property.

Sec. 2.4. *“Commercial property” means any real property which is located in this State and which is neither used as a dwelling nor upon which a dwelling is constructed or intended to be constructed. For the purposes of this section, “dwelling” has the meaning ascribed to it in section 103(v) of the federal Truth in Lending Act, 15 U.S.C. § 1602(w).*

Sec. 2.5. *“Institutional investor” means a person who, in the regular course of business, makes commercial mortgage loans of more than \$250,000 that are funded exclusively from one or more of the following sources:*

1. The person’s cash, corporate capital or warehouse credit lines at a depository financial institution or other sources that are liability items on the person’s financial statements.

2. Correspondent contracts between the person and another institutional investor or between the person and a depository financial institution, trust company, profit-sharing or pension trust, installment lender or insurance company.

3. An affiliate’s cash, corporate capital or warehouse credit lines at a depository financial institution or other sources that are liability items on the affiliate’s financial statements for which the affiliate’s assets are pledged. As used in this subsection, “affiliate” means another person who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the person who is the institutional investor.

Sec. 2.7. NRS 645B.010 is hereby amended to read as follows:

645B.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 645B.0104 to 645B.01356, inclusive, **and sections 2.2 to 2.5, inclusive, of this act** have the meanings ascribed to them in those sections.

Sec. 3. NRS 645B.0119 is hereby amended to read as follows:

645B.0119 “Financial services license or registration” means any license or registration issued in this State or any other state, district or territory of the United States that authorizes the person who holds the license or registration to engage in any business or activity described in the provisions of this chapter, title 55 or 56 of NRS or chapter 604A, 645, 645A, 645C, ~~645E,~~ 645G or 649 of NRS.

Sec. 4. NRS 645B.0123 is hereby amended to read as follows:

645B.0123 “Licensee” means a person who is licensed or required to be licensed as a mortgage ~~broker~~ **company** pursuant to this chapter. The term does not include a person issued a license as a



mortgage ~~agent~~ *loan originator* pursuant to NRS 645B.410 who is acting properly within the scope of that license.

Sec. 5. NRS 645B.0125 is hereby amended to read as follows:
645B.0125 1. “Mortgage ~~agent~~” *loan originator*” means:

(a) A natural person who:

(1) Is an employee of a mortgage ~~broker or mortgage banker~~ *company* who is required to be licensed pursuant to this chapter ; ~~for chapter 645E of NRS;~~ and

(2) Is authorized by the mortgage ~~broker or mortgage banker~~ *company* to engage in, on behalf of the mortgage ~~broker or mortgage banker~~ *company*, any activity that would require the person, if the person were not an employee of the mortgage ~~broker or mortgage banker~~ *company*, to be licensed as a mortgage ~~broker or mortgage banker~~ *company* pursuant to this chapter ; ~~for chapter 645E of NRS;~~

(b) A mortgage ~~broker~~ *company or* qualified employee ~~for mortgage banker~~ who is required by NRS 645B.405 ~~for 645E.290~~ to be licensed as a mortgage ~~agent~~ *loan originator*; or

(c) A loan processor who is an independent contractor and who is associated with a mortgage ~~broker, mortgage banker~~ *company* or person who holds a certificate of exemption pursuant to NRS 645B.016.

2. The term includes, but is not limited to, a residential mortgage loan originator.

3. The term does not include a person who:

(a) Except as otherwise provided in paragraph (b) of subsection 1, is licensed as a mortgage ~~broker or mortgage banker~~ *company*;

(b) Is an owner, general partner, officer or director of a mortgage ~~broker or mortgage banker~~ *company* who does not engage in any activity that would otherwise require a license as a mortgage ~~broker or mortgage banker~~ *company*;

(c) Except as otherwise provided in paragraph (c) of subsection 1, performs only clerical or ministerial tasks for a mortgage ~~broker or mortgage banker~~ *company*; or

(d) Collects payments and performs related services, including, without limitation, the modification of an existing loan, in connection with a loan secured by a lien on real property and who does not undertake any other activity that would otherwise require a license pursuant to this chapter or chapter ~~645E or~~ 645F of NRS.

Sec. 6. NRS 645B.0127 is hereby amended to read as follows:

645B.0127 1. “Mortgage ~~broker~~” *company*” means a person who, directly or indirectly:



(a) Holds himself or herself out for hire to serve as an agent for any person in an attempt to obtain a loan which will be secured by a lien on real property;

(b) Holds himself or herself out for hire to serve as an agent for any person who has money to lend, if the loan is or will be secured by a lien on real property;

(c) Holds himself or herself out as being able to make loans secured by liens on real property;

(d) Holds himself or herself out as being able to buy or sell notes secured by liens on real property; or

(e) Offers for sale in this State any security which is exempt from registration under state or federal law and purports to make investments in promissory notes secured by liens on real property.

2. The term includes a wholesale lender.

~~3. The term does not include a person who is licensed as a mortgage banker, as defined in NRS 645E.100, unless the person is also licensed as a mortgage broker pursuant to this chapter.~~

Sec. 7. NRS 645B.0137 is hereby amended to read as follows:

645B.0137 1. In addition to any other requirements provided by this chapter, a person who wishes to receive an initial license as a mortgage ~~broker~~ **company** or mortgage ~~agent~~ **loan originator** must:

(a) Complete education on mortgage lending as required by this chapter and any regulations adopted thereto; and

(b) Successfully pass a written examination as provided for by the Division.

2. If the applicant for an initial license as a mortgage ~~broker~~ **company** is not a natural person, the applicant must designate a natural person to be the qualified employee of the applicant and meet the requirements of subsection 1.

3. The Division may hire a testing organization to create, administer and score a written examination.

4. The Commissioner shall adopt regulations to carry out the provisions of this section, including, without limitation:

(a) Regulations relating to the content of a written examination and the scoring of a written examination; and

(b) Regulations for compliance with the requirements for registration with the Registry and any other applicable federal law.

Sec. 8. NRS 645B.0138 is hereby amended to read as follows:

645B.0138 1. A course of continuing education that is required pursuant to this chapter must meet the requirements set forth by the Commissioner by regulation.

2. The Commissioner shall adopt regulations:



(a) Relating to the requirements for courses of continuing education, including, without limitation, regulations relating to the providers and instructors of such courses, records kept for such courses, approval and revocation of approval of such courses, monitoring of such courses and disciplinary action taken regarding such courses.

(b) Allowing for the participation of representatives of the mortgage lending industry pertaining to the creation of regulations regarding such courses.

(c) Ensuring compliance with the requirements for registration with the Registry and any other applicable federal law.

3. The regulations adopted by the Commissioner pursuant to subsection 2 must not require a mortgage ~~agent;~~ *loan originator* or mortgage ~~banker or mortgage broker;~~ *company* or an employee of a mortgage ~~banker or mortgage broker;~~ *company* who, pursuant to subsection 1 of NRS 645F.267, is not required to register or renew with the Registry and who has not voluntarily registered or renewed with the Registry to complete any continuing education relating to residential mortgage loans.

Sec. 9. NRS 645B.0145 is hereby amended to read as follows:

645B.0145 The provisions of this chapter do not:

1. Limit any statutory or common-law right of a person to bring a civil action against a mortgage ~~broker;~~ *company* or mortgage ~~agent;~~ *loan originator* for any act or omission involved in the transaction of business by or on behalf of the mortgage ~~broker;~~ *company* or mortgage ~~agent;~~ *loan originator;*

2. Limit the right of the State to punish a person for the violation of any law, ordinance or regulation; or

3. Establish a basis for a person to bring a civil action against the State or its officers or employees for any act or omission in carrying out the provisions of this chapter, including, without limitation, any act or omission relating to the disclosure of information or the failure to disclose information pursuant to the provisions of this chapter.

Sec. 10. NRS 645B.016 is hereby amended to read as follows:

645B.016 Except as otherwise provided in subsection 2 and NRS 645B.690:

1. A person who claims an exemption from the provisions of this chapter pursuant to subsection 1 of NRS 645B.015 must:

(a) File a written application for a certificate of exemption with the Office of the Commissioner;

(b) Pay the fee required pursuant to NRS 645B.017;



(c) Include with the written application satisfactory proof that the person meets the requirements of subsection 1 of NRS 645B.015; and

(d) Provide evidence to the Commissioner that the person is duly licensed to conduct his or her business, including, if applicable, the right to transact mortgage loans, and such license is in good standing pursuant to the laws of this State, any other state or the United States.

2. The provisions of subsection 1 do not apply to the extent preempted by federal law.

3. The Commissioner may require a person who claims an exemption from the provisions of this chapter pursuant to subsections 2 to 12, inclusive, of NRS 645B.015 to:

(a) File a written application for a certificate of exemption with the Office of the Commissioner;

(b) Pay the fee required pursuant to NRS 645B.017; and

(c) Include with the written application satisfactory proof that the person meets the requirements of at least one of those exemptions.

4. A certificate of exemption expires automatically if, at any time, the person who claims the exemption no longer meets the requirements of at least one exemption set forth in the provisions of NRS 645B.015.

5. If a certificate of exemption expires automatically pursuant to this section, the person shall not provide any of the services of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* or otherwise engage in, carry on or hold himself or herself out as engaging in or carrying on the business of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* unless the person applies for and is issued:

(a) A license as a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*, as applicable, pursuant to this chapter; or

(b) Another certificate of exemption.

6. The Commissioner may impose upon a person who is required to apply for a certificate of exemption or who holds a certificate of exemption an administrative fine of not more than \$10,000 for each violation that the person commits, if the person:

(a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(b) Has suppressed or withheld from the Commissioner any information which the person possesses and which, if submitted by the person, would have rendered the person ineligible to hold a certificate of exemption; or



(c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner that applies to a person who is required to apply for a certificate of exemption or who holds a certificate of exemption.

7. A person who is exempt from the requirements of this chapter may file a written application for a certificate of exemption with the Office of the Commissioner for the purposes of complying with the requirements of the Registry or enabling a mortgage ~~agent~~ *loan originator* to comply with the requirements of the Registry.

8. The Commissioner may require an applicant or person described in subsection 7 to submit the information or pay the fee directly to the Division or, if the applicant or person is required to register or voluntarily registers with the Registry, to the Division through the Registry.

9. An application filed pursuant to subsection 7 does not affect the applicability of this chapter to such an applicant or person.

Sec. 11. NRS 645B.020 is hereby amended to read as follows:

645B.020 1. A person who wishes to be licensed as a mortgage ~~broker~~ *company* must file a written application for a license with the Office of the Commissioner and pay the fee required pursuant to NRS 645B.050. The Commissioner may require the applicant or person to submit the information or pay the fee directly to the Division or, if the applicant or person is required to register or voluntarily registers with the Registry, to the Division through the Registry. An application for a license as a mortgage ~~broker~~ *company* must:

(a) State the name, residence address and business address of the applicant and, if the applicant is a mortgage ~~broker~~ *company* other than a wholesale lender, the location of each principal office and branch office at which the mortgage ~~broker~~ *company* will conduct business within this State.

(b) State the location of any principal office, office or other place of business located outside this State from which the mortgage ~~broker~~ *company* will conduct business in this State and any office or other place of business which the applicant maintains as a corporate or home office.

(c) State the name under which the applicant will conduct business as a mortgage ~~broker~~ *company*.

(d) List the name, residence address and business address of each person who will:

(1) If the applicant is not a natural person, have an interest in the mortgage ~~broker~~ *company* as a principal, partner, officer,



director or trustee, specifying the capacity and title of each such person.

(2) Be associated with or employed by the mortgage ~~broker~~ *company* as a mortgage ~~agent~~ *loan originator*.

(e) Include a general business plan and a description of the policies and procedures that the mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* will follow to arrange and service loans and to conduct business pursuant to this chapter.

(f) State the length of time the applicant has been engaged in the business of a mortgage ~~broker~~ *company*.

(g) Include a financial statement of the applicant and, if applicable, satisfactory proof that the applicant will be able to maintain continuously the net worth required pursuant to NRS 645B.115.

(h) Include all information required to complete the application.

(i) Unless fingerprints were submitted to the Registry for the person, include a complete set of fingerprints for each natural person who is a principal, partner, officer, director or trustee of the applicant which the Division may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(j) Include any other information required pursuant to the regulations adopted by the Commissioner or an order of the Commissioner.

2. If a mortgage ~~broker~~ *company* will conduct business in this State at one or more branch offices, the mortgage ~~broker~~ *company* must apply for a license for each such branch office.

3. Except as otherwise provided by law, the Commissioner shall issue a license to an applicant as a mortgage ~~broker~~ *company* if:

(a) The application is verified by the Commissioner and complies with the requirements of this chapter; and

(b) The applicant and each general partner, officer or director of the applicant, if the applicant is a partnership, corporation or unincorporated association:

(1) Has demonstrated financial responsibility, character and general fitness so as to command the confidence of the community and warrant a determination that the applicant will operate honestly, fairly and efficiently for the purposes of this chapter.

(2) Has not been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of



fraud, dishonesty or a breach of trust, moral turpitude or money laundering.

(3) Has not made a false statement of material fact on the application.

(4) Has never had a license or registration as a mortgage agent, mortgage banker, mortgage broker, *mortgage company*, *mortgage loan originator* or residential mortgage loan originator revoked in this State or any other jurisdiction or had a financial services license revoked within the immediately preceding 10 years.

(5) Has not violated any provision of this chapter, ~~for chapter 645E of NRS,~~ a regulation adopted pursuant thereto or an order of the Commissioner.

4. A person may apply for a license for an office or other place of business located outside this State from which the applicant will conduct business in this State if the applicant has a license issued pursuant to this chapter for an office or other place of business located in this State or if the applicant will conduct business in this State only as a wholesale lender, and the applicant submits with the application for a license a statement signed by the applicant which states that the applicant agrees to:

(a) Make available electronically or at a location within this State the books, accounts, papers, records and files of the office or place of business located outside this State to the Commissioner or a representative of the Commissioner; or

(b) Pay the reasonable expenses for travel, meals and lodging of the Commissioner or a representative of the Commissioner incurred during any investigation or examination made at the office or place of business located outside this State.

↳ The applicant must be allowed to choose between paragraph (a) or (b) in complying with the provisions of this subsection.

Sec. 12. NRS 645B.021 is hereby amended to read as follows:

645B.021 1. If a mortgage ~~broker~~ *company* is not a natural person, the mortgage ~~broker~~ *company* must designate a natural person as a qualified employee to act on behalf of the mortgage ~~broker~~ *company*.

2. The Division shall adopt regulations regarding a qualified employee, including, without limitation, regulations that establish:

(a) A definition for the term “qualified employee”;

(b) Any duties of a qualified employee; and

(c) Any requirements regarding a qualified employee.

Sec. 13. NRS 645B.023 is hereby amended to read as follows:

645B.023 1. In addition to any other requirements set forth in this chapter:



(a) A natural person who applies for the issuance of a license as a mortgage ~~broker~~ *company* shall include the social security number of the applicant in the application submitted to the Commissioner.

(b) A natural person who applies for the issuance or renewal of a license as a mortgage ~~broker~~ *company* shall submit to the Commissioner the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Commissioner shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the license; or

(b) A separate form prescribed by the Commissioner.

3. A license as a mortgage ~~broker~~ *company* may not be issued or renewed by the Commissioner if the applicant is a natural person who:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Commissioner shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 14. NRS 645B.0243 is hereby amended to read as follows:

645B.0243 The Commissioner may refuse to issue a license to an applicant if the Commissioner has reasonable cause to believe that the applicant or any general partner, officer or director of the applicant has, after October 1, 1999, employed or proposed to employ a person as a mortgage ~~agent~~ *loan originator* or authorized or proposed to authorize a person to be associated with a mortgage ~~broker~~ *company* as a mortgage ~~agent~~ *loan originator*



at a time when the applicant or the general partner, officer or director knew or, in light of all the surrounding facts and circumstances, reasonably should have known that the person has committed any act or omission that would be cause for refusing to issue a license to a mortgage ~~agent.~~ *loan originator.*

Sec. 15. NRS 645B.025 is hereby amended to read as follows:

645B.025 1. A mortgage ~~broker~~ *company* shall post each license in a conspicuous place in the office to which it pertains.

2. A mortgage ~~broker~~ *company* may not transfer or assign a license to another person, unless the Commissioner gives written approval.

Sec. 15.5. NRS 645B.042 is hereby amended to read as follows:

645B.042 1. As a condition to doing business in this State, each mortgage broker shall deposit with the Commissioner and keep in full force and effect a corporate surety bond payable to the State of Nevada, in the amount set forth in subsection 4, which is executed by a corporate surety satisfactory to the Commissioner and which names as principals the mortgage broker and all mortgage agents employed by or associated with the mortgage broker.

2. At the time of filing an application for a license as a mortgage agent and at the time of filing an application for the renewal of a license as a mortgage agent, the applicant shall file with the Commissioner proof that the applicant is named as a principal on the corporate surety bond deposited with the Commissioner by the mortgage broker with whom the applicant is associated or employed.

3. The bond must be in ~~substantially the following form:~~

~~— Know All Persons by These Presents, that, as principal, and, as surety, are held and firmly bound unto the State of Nevada for the use and benefit of any person who suffers damages because of a violation of any of the provisions of chapter 645B of NRS, in the sum of, lawful money of the United States, to be paid to the State of Nevada for such use and benefit, for which payment well and truly to be made, and that we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.~~

~~— The condition of that obligation is such that: Whereas, the principal has been issued a license as a mortgage broker or mortgage agent by the Commissioner of Mortgage Lending~~



~~and is required to furnish a bond, which is conditioned as set forth in this bond:~~

~~— Now, therefore, if the principal, his or her agents and employees, strictly, honestly and faithfully comply with the provisions of chapter 645B of NRS, and pay all damages suffered by any person because of a violation of any of the provisions of chapter 645B of NRS, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of chapter 645B of NRS, then this obligation is void; otherwise it remains in full force.~~

~~— This bond becomes effective on the (day) of (month) of (year), and remains in force until the surety is released from liability by the Commissioner of Mortgage Lending or until this bond is cancelled by the surety. The surety may cancel this bond and be relieved of further liability hereunder by giving 60 days' written notice to the principal and to the Commissioner of Mortgage Lending.~~

~~— In Witness Whereof, the seal and signature of the principal hereto is affixed, and the corporate seal and the name of the surety hereto is affixed and attested by its authorized officers at, Nevada, this (day) of (month) of (year).~~

.....(Seal)
Principal
.....(Seal)
Surety
By.....
Attorney in fact
.....
Nevada Licensed Insurance Agent

a form prescribed by the Commissioner.

4. Each mortgage broker shall deposit a corporate surety bond that complies with the provisions of this section in the following amounts:

(a) For an annual loan production of \$20,000,000 or less, \$50,000.

(b) For an annual loan production of more than \$20,000,000, \$75,000.

5. Except as otherwise required by federal law or regulation, for the purposes of subsection 4, the Commissioner shall determine the appropriate amount of the surety bond that must be deposited



initially by a mortgage broker based upon the expected annual loan production amount and shall determine the appropriate amount of the surety bond annually based upon the actual annual loan production.

Sec. 16. NRS 645B.042 is hereby amended to read as follows:

645B.042 1. As a condition to doing business in this State, each mortgage ~~broker~~ *company* shall deposit with the Commissioner and keep in full force and effect a corporate surety bond payable to the State of Nevada, in the amount set forth in subsection 4, which is executed by a corporate surety satisfactory to the Commissioner and which names as principals the mortgage ~~broker~~ *company* and all mortgage ~~agents~~ *loan originators* employed by or associated with the mortgage ~~broker~~ *company*.

2. At the time of filing an application for a license as a mortgage ~~agent~~ *loan originator* and at the time of filing an application for the renewal of a license as a mortgage ~~agent~~ *loan originator*, the applicant shall file with the Commissioner proof that the applicant is named as a principal on the corporate surety bond deposited with the Commissioner by the mortgage ~~broker~~ *company* with whom the applicant is associated or employed.

3. The bond must be in a form prescribed by the Commissioner.

4. Each mortgage ~~broker~~ *company* shall deposit a corporate surety bond that complies with the provisions of this section in the following amounts:

(a) For an annual loan production of \$20,000,000 or less, \$50,000.

(b) For an annual loan production of more than \$20,000,000, \$75,000.

5. Except as otherwise required by federal law or regulation, for the purposes of subsection 4, the Commissioner shall determine the appropriate amount of the surety bond that must be deposited initially by a mortgage ~~broker~~ *company* based upon the expected annual loan production amount and shall determine the appropriate amount of the surety bond annually based upon the actual annual loan production.

Sec. 17. NRS 645B.048 is hereby amended to read as follows:

645B.048 1. Any person claiming against a bond may bring an action in a court of competent jurisdiction on the bond for damages to the extent covered by the bond. A person who brings an action on a bond shall notify the Commissioner in writing upon filing the action. An action may not be commenced after the



expiration of 3 years following the commission of the act on which the action is based.

2. Upon receiving a request from a person for whose benefit a bond is required, the Commissioner shall notify the person:

(a) That a bond is in effect and of the amount of the bond; and

(b) If there is an action against the bond, the title, court and case number of the action and the amount sought by the plaintiff.

3. If a surety wishes to make payment without awaiting action by a court, the amount of the bond must be reduced to the extent of any payment made by the surety in good faith under the bond. Any payment must be based on written claims received by the surety before any action is taken by a court.

4. The surety may bring an action for interpleader against all claimants upon the bond. If it does so, it shall publish notice of the action at least once each week for 2 weeks in every issue of a newspaper of general circulation in the county where the mortgage ~~broker~~ company has its principal place of business. The surety may deduct its costs of the action, including attorney's fees and publication, from its liability under the bond.

5. Claims against a bond have equal priority, and if the bond is insufficient to pay all claims in full, they must be paid on a pro rata basis. Partial payment of claims is not full payment, and any claimant may bring an action against the mortgage ~~broker~~ company for the unpaid balance.

Sec. 18. NRS 645B.050 is hereby amended to read as follows:

645B.050 1. A license as a mortgage ~~broker~~ company issued pursuant to this chapter expires each year on December 31, unless it is renewed. To renew such a license, the licensee must submit to the Commissioner on or after November 1 and on or before December 31 of each year, or on a date otherwise specified by the Commissioner by regulation:

(a) An application for renewal;

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

(c) The information required pursuant to NRS 645B.051; and

(d) All information required by the Commissioner or, if applicable, required by the Registry to complete the renewal.

2. If the licensee fails to submit any item required pursuant to subsection 1 to the Commissioner on or after November 1 and on or before December 31 of any year, unless a different date is specified by the Commissioner by regulation, the license is cancelled as of December 31 of that year. The Commissioner may reinstate a



cancelled license if the licensee submits to the Commissioner on or before February 28 of the following year:

- (a) An application for renewal;
- (b) The fee required to renew the license pursuant to this section;
- (c) The information required pursuant to NRS 645B.051;
- (d) Except as otherwise provided in this section, a reinstatement fee of not more than \$200; and
- (e) All information required to complete the reinstatement.

3. Except as otherwise provided in this section, a person must pay the following fees to apply for, to be issued or to renew a license as a mortgage ~~broker~~ company pursuant to this chapter:

(a) To file an original application for a license, not more than \$1,500 for the principal office and not more than \$400 for each branch office. The person must also pay such additional expenses incurred in the process of investigation as the Commissioner deems necessary.

(b) To be issued a license, not more than \$1,000 for the principal office and not more than \$100 for each branch office.

(c) To renew a license, not more than \$500 for the principal office and not more than \$100 for each branch office.

4. To be issued a duplicate copy of any license, a person must make a satisfactory showing of its loss and pay a fee of not more than \$10.

5. Except as otherwise provided in this chapter, all fees received pursuant to this chapter are in addition to any fee required to be paid to the Registry and must be deposited in the Account for Mortgage Lending created by NRS 645F.270.

6. The Commissioner may, by regulation, adjust any fee or date set forth in this section if the Commissioner determines that such an adjustment is necessary for the Commissioner to carry out his or her duties pursuant to this chapter. The amount of any adjustment in a fee pursuant to this subsection must not exceed the amount determined to be necessary for the Commissioner to carry out his or her duties pursuant to this chapter.

7. The Commissioner may require a licensee to submit an item or pay a fee required by this section directly to the Commissioner or, if the licensee is required to register or voluntarily registers with the Registry, to the Commissioner through the Registry.

Sec. 19. NRS 645B.051 is hereby amended to read as follows:

645B.051 1. Except as otherwise provided in subsection 2, in addition to the requirements set forth in NRS 645B.050, to renew a license as a mortgage ~~broker~~ company:



(a) If the licensee is a natural person, the licensee must submit to the Commissioner satisfactory proof that the licensee attended at least 10 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

(b) If the licensee is not a natural person, the licensee must submit to the Commissioner satisfactory proof that each natural person who supervises the daily business of the licensee attended at least 10 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

2. In lieu of the continuing education requirements set forth in paragraph (a) or (b) of subsection 1, a licensee or any natural person who supervises the daily business of the licensee who, pursuant to subsection 1 of NRS 645F.267, is not required to register or renew with the Registry and who has not voluntarily registered or renewed with the Registry must submit to the Commissioner satisfactory proof that he or she attended at least 5 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires. The hours of continuing education required by this subsection must include:

(a) At least 3 hours relating to the laws and regulations of this State; and

(b) At least 2 hours relating to ethics.

3. As used in this section, "certified course of continuing education" means a course of continuing education which relates to the mortgage industry or mortgage transactions and which meets the requirements set forth by the Commissioner by regulation pursuant to NRS 645B.0138.

Sec. 20. NRS 645B.060 is hereby amended to read as follows:

645B.060 1. Subject to the administrative control of the Director of the Department of Business and Industry, the Commissioner shall exercise general supervision and control over mortgage ~~brokers~~ *companies* and mortgage ~~agents~~ *loan originators* doing business in this State.

2. In addition to the other duties imposed upon him or her by law, the Commissioner shall:

(a) Adopt regulations:

(1) Setting forth the requirements for an investor to acquire ownership of or a beneficial interest in a loan secured by a lien on real property. The regulations must include, without limitation, the minimum financial conditions that the investor must comply with before becoming an investor.



(2) Establishing reasonable limitations and guidelines on loans made by a mortgage ~~broker~~ *company* to a director, officer, mortgage ~~agent~~ *loan originator* or employee of the mortgage ~~broker~~ *company*.

(b) Adopt any other regulations that are necessary to carry out the provisions of this chapter, except as to loan ~~brokerage~~ fees.

(c) Conduct such investigations as may be necessary to determine whether any person has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner.

(d) Except as otherwise provided in subsection 4, conduct an annual examination of each mortgage ~~broker~~ *company* doing business in this State. The annual examination must include, without limitation, a formal exit review with the mortgage ~~broker~~ *company*. The Commissioner shall adopt regulations prescribing:

(1) Standards for determining the rating of each mortgage ~~broker~~ *company* based upon the results of the annual examination; and

(2) Procedures for resolving any objections made by the mortgage ~~broker~~ *company* to the results of the annual examination. The results of the annual examination may not be opened to public inspection pursuant to NRS 645B.090 until after a period of time set by the Commissioner to determine any objections made by the mortgage ~~broker~~ *company*.

(e) Conduct such other examinations, periodic or special audits, investigations and hearings as may be necessary for the efficient administration of the laws of this State regarding mortgage ~~brokers~~ *companies* and mortgage ~~agents~~ *loan originators*. The Commissioner shall adopt regulations specifying the general guidelines that will be followed when a periodic or special audit of a mortgage ~~broker~~ *company* is conducted pursuant to this chapter.

(f) Classify as confidential certain records and information obtained by the Division when those matters are obtained from a governmental agency upon the express condition that they remain confidential. This paragraph does not limit examination by:

(1) The Legislative Auditor; or

(2) The Department of Taxation if necessary to carry out the provisions of chapters 363A and 363C of NRS.

(g) Conduct such examinations and investigations as are necessary to ensure that mortgage ~~brokers~~ *companies* and mortgage ~~agents~~ *loan originators* meet the requirements of this chapter for obtaining a license, both at the time of the application for a license and thereafter on a continuing basis.



3. For each special audit, investigation or examination, a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall pay a fee based on the rate established pursuant to NRS 645F.280.

4. The Commissioner may conduct examinations of a mortgage ~~broker~~ *company*, as described in paragraph (d) of subsection 2, on a biennial instead of an annual basis if the mortgage ~~broker~~ *company*:

(a) Received a rating in the last annual examination that meets a threshold determined by the Commissioner;

(b) Has not had any adverse change in financial condition since the last annual examination, as shown by financial statements of the mortgage ~~broker~~ *company*;

(c) Has not had any complaints received by the Division that resulted in any administrative action by the Division; and

(d) Does not maintain any trust accounts pursuant to NRS 645B.170 or 645B.175 or arrange loans funded by private investors.

Sec. 21. NRS 645B.075 is hereby amended to read as follows:

645B.075 Each mortgage ~~broker~~ *company* shall pay the assessment levied pursuant to NRS 645F.180. Each mortgage ~~broker~~ *company* and mortgage ~~agent~~ *loan originator* shall cooperate fully with the audits and examinations performed pursuant thereto.

Sec. 22. NRS 645B.080 is hereby amended to read as follows:

645B.080 1. Each mortgage ~~broker~~ *company* shall keep and maintain at all times at each location where the mortgage ~~broker~~ *company* conducts business in this state complete and suitable records of all mortgage transactions made by the mortgage ~~broker~~ *company* at that location. Each mortgage ~~broker~~ *company* shall also keep and maintain at all times at each such location all original books, papers and data, or copies thereof, clearly reflecting the financial condition of the business of the mortgage ~~broker~~ *company*.

2. Each mortgage ~~broker~~ *company* shall submit to the Commissioner each month a report of the mortgage ~~broker's~~ *company's* activity for the previous month. The report must:

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

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

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



3. The Commissioner may adopt regulations prescribing accounting procedures for mortgage ~~broker~~ companies handling trust accounts and the requirements for keeping records relating to such accounts.

4. Each mortgage ~~broker~~ company who is required to register or voluntarily registers with the Registry shall submit to the Registry and the Commissioner a report of condition or any other report required by the Registry in the form and at the time required by the Registry.

Sec. 23. NRS 645B.085 is hereby amended to read as follows:

645B.085 1. Except as otherwise provided in this section, not later than 90 days after the last day of each fiscal year for a mortgage ~~broker~~ company, the mortgage ~~broker~~ company shall submit to the Commissioner a financial statement that:

(a) Is dated not earlier than the last day of the fiscal year; and

(b) Has been prepared from the books and records of the mortgage ~~broker~~ company by an independent certified public accountant who holds a license to practice in this State or in any other state that has not been revoked or suspended.

2. Unless otherwise prohibited by the Registry, the Commissioner may grant a reasonable extension for the submission of a financial statement pursuant to this section if a mortgage ~~broker~~ company requests such an extension before the date on which the financial statement is due.

3. If a mortgage ~~broker~~ company maintains any accounts described in subsection 1 of NRS 645B.175, the financial statement submitted pursuant to this section must be audited. If a mortgage ~~broker~~ company maintains any accounts described in subsection 1 or 4 of NRS 645B.175, those accounts must be audited.

4. The Commissioner shall adopt regulations prescribing the scope of an audit conducted pursuant to subsection 3.

Sec. 24. NRS 645B.090 is hereby amended to read as follows:

645B.090 1. Except as otherwise provided in this section or by specific statute, all papers, documents, reports and other written instruments filed with the Commissioner pursuant to this chapter are open to public inspection.

2. Except as otherwise provided in subsection 3, the Commissioner may withhold from public inspection or refuse to disclose to a person, for such time as the Commissioner considers necessary, any information that, in the Commissioner's judgment, would:



(a) Impede or otherwise interfere with an investigation or examination that is currently pending against a mortgage ~~broker~~ company;

(b) Have an undesirable effect on the welfare of the public; or

(c) Reveal personal information in violation of NRS 239B.030.

3. Except as otherwise provided in NRS 645B.092, the Commissioner shall disclose the following information concerning a mortgage ~~broker~~ company to any person who requests it:

(a) The findings and results of any investigation which has been completed during the immediately preceding 5 years against the mortgage ~~broker~~ company pursuant to the provisions of this chapter and which has resulted in a finding by the Commissioner that the mortgage ~~broker~~ company committed a violation of a provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(b) The nature of any disciplinary action that has been taken during the immediately preceding 5 years against the mortgage ~~broker~~ company pursuant to the provisions of this chapter; and

(c) If the mortgage ~~broker~~ company makes or offers for sale in this State any investments in promissory notes secured by liens on real property:

(1) Any information in the possession of the Commissioner regarding the present and past ownership and management structure of the mortgage ~~broker~~ company; and

(2) The findings and results of:

(I) All examinations or investigations of the mortgage ~~broker~~ company conducted pursuant to NRS 645B.060 during the immediately preceding 5 years, including, without limitation, annual or biennial examinations of the mortgage ~~broker~~ company conducted pursuant to NRS 645B.060, including, without limitation, the rating for each annual or biennial examination and an explanation of the standards for determining that rating; and

(II) Any other examination or audit, investigation or hearing which has been completed during the immediately preceding 3 years against the mortgage ~~broker~~ company pursuant to the provisions of this chapter.

Sec. 25. NRS 645B.093 is hereby amended to read as follows:

645B.093 1. A mortgage ~~broker~~ company who is a broker-dealer or a sales representative licensed pursuant to NRS 90.310 or who is exempt from licensure pursuant to NRS 90.320:

(a) Shall not commingle money received for mortgage transactions and money received for securities transactions; and



(b) Shall ensure that all money received for mortgage transactions is accounted for separately from all money received for securities transactions.

2. A mortgage ~~broker~~ company who is an investment adviser or a representative of an investment adviser licensed pursuant to NRS 90.330 or exempt from licensure pursuant to NRS 90.340:

(a) Shall not commingle money received for mortgage transactions and money received for securities transactions; and

(b) Shall ensure that all money received for mortgage transactions is accounted for separately from all money received for securities transactions.

Sec. 26. NRS 645B.095 is hereby amended to read as follows:

645B.095 1. As used in this section, "change of control" means:

(a) A transfer of voting stock which results in giving a person, directly or indirectly, the power to direct the management and policy of a mortgage ~~broker~~ company; or

(b) A transfer of at least 25 percent of the outstanding voting stock of a mortgage ~~broker~~ company.

2. The Commissioner must be notified in writing of a transfer of 10 percent or more of the outstanding voting stock of a mortgage ~~broker~~ company at least 15 days before such a transfer and must approve a transfer of voting stock of a mortgage ~~broker~~ company which constitutes a change of control.

3. The person who acquires stock resulting in a change of control of the mortgage ~~broker~~ company shall apply to the Commissioner for approval of the transfer. The application must contain information which shows that the requirements of this chapter and the Registry, if applicable, for obtaining a license will be satisfied after the change of control. Except as otherwise provided in subsection 4, the Commissioner shall conduct an investigation to determine whether those requirements will be satisfied. If, after the investigation, the Commissioner denies the application, the Commissioner may forbid the applicant from participating in the business of the mortgage ~~broker~~ company.

4. A mortgage ~~broker~~ company may submit a written request to the Commissioner to waive an investigation pursuant to subsection 3. The Commissioner may grant a waiver if the applicant has undergone a similar investigation by a state or federal agency in connection with the licensing of or his or her employment with a financial institution.



Sec. 27. NRS 645B.115 is hereby amended to read as follows:

645B.115 1. If a mortgage ~~broker~~ *company* maintains any accounts described in NRS 645B.175, the mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* shall not engage in any activity that is authorized pursuant to this chapter, unless the mortgage ~~broker~~ *company* maintains continuously a minimum net worth in the following amount based upon the average monthly balance of the accounts maintained by the mortgage ~~broker~~ *company* pursuant to NRS 645B.175:

AVERAGE MONTHLY BALANCE	MINIMUM NET WORTH REQUIRED
\$100,000 or less.....	\$25,000
More than \$100,000 but not more than \$250,000	50,000
More than \$250,000 but not more than \$500,000	100,000
More than \$500,000 but not more than \$1,000,000	200,000
More than \$1,000,000	250,000

The Commissioner shall determine the appropriate initial minimum net worth that must be maintained by the mortgage ~~broker~~ *company* pursuant to this section based upon the expected average monthly balance of the accounts maintained by the mortgage ~~broker~~ *company* pursuant to NRS 645B.175. After determining the initial minimum net worth that must be maintained by the mortgage ~~broker~~ *company*, the Commissioner shall, on an annual basis, determine the appropriate minimum net worth that must be maintained by the mortgage ~~broker~~ *company* pursuant to this section based upon the average monthly balance of the accounts maintained by the mortgage ~~broker~~ *company* pursuant to NRS 645B.175.

2. If requested by the Commissioner, a mortgage ~~broker~~ *company* who is subject to the provisions of this section and his or her mortgage ~~agents~~ *loan originators* shall submit to the Commissioner or allow the Commissioner to examine any documentation or other evidence that is related to determining the net worth of the mortgage ~~broker~~ *company*.

3. The Commissioner:

- (a) Shall adopt regulations prescribing standards for determining the net worth of a mortgage ~~broker~~ *company*; and
- (b) May adopt any other regulations that are necessary to carry out the provisions of this section.



Sec. 28. NRS 645B.165 is hereby amended to read as follows:

645B.165 1. Except as otherwise permitted by law and as otherwise provided in subsection 3, the amount of any advance fee, salary, deposit or money paid to a mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* or any other person to obtain a loan which will be secured by a lien on real property must be placed in escrow pending completion of the loan or a commitment for the loan.

2. The amount held in escrow pursuant to subsection 1 must be released:

(a) Upon completion of the loan or commitment for the loan, to the mortgage ~~broker~~ *company* or other person to whom the advance fee, salary, deposit or money was paid.

(b) If the loan or commitment for the loan fails, to the person who made the payment.

3. Advance payments to cover reasonably estimated costs paid to third persons are excluded from the provisions of subsections 1 and 2 if the person making them first signs a written agreement which specifies the estimated costs by item and the estimated aggregate cost, and which recites that money advanced for costs will not be refunded. If an itemized service is not performed and the estimated cost thereof is not refunded, the recipient of the advance payment is subject to the penalties provided in NRS 645B.960.

Sec. 29. NRS 645B.170 is hereby amended to read as follows:

645B.170 1. All money paid to a mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* for payment of taxes or insurance premiums on real property which secures any loan arranged *or loan made* by the mortgage ~~broker~~ *company* must be deposited in an insured depository financial institution and kept separate, distinct and apart from money belonging to the mortgage ~~broker~~ *company*. Such money, when deposited, is to be designated as an "impound trust account" or under some other appropriate name indicating that the accounts are not the money of the mortgage ~~broker~~ *company*.

2. The mortgage ~~broker~~ *company* has a fiduciary duty to each debtor with respect to the money in an impound trust account.

3. The mortgage ~~broker~~ *company* shall, upon reasonable notice, account to any debtor whose real property secures a loan arranged *or loan made* by the mortgage ~~broker~~ *company* for any money which that person has paid to the mortgage ~~broker~~ *company* for the payment of taxes or insurance premiums on the real property.



4. The mortgage ~~broker~~ *company* shall, upon reasonable notice, account to the Commissioner for all money in an impound trust account.

5. A mortgage ~~broker~~ *company* shall:

(a) Require contributions to an impound trust account in an amount reasonably necessary to pay the obligations as they become due.

(b) Undertake an annual review of an impound trust account.

(c) Within 30 days after the completion of the annual review of an impound trust account, notify the debtor:

(1) Of the amount by which the contributions exceed the amount reasonably necessary to pay the annual obligations due from the account; and

(2) That the debtor may specify the disposition of the excess money within 20 days after receipt of the notice. If the debtor fails to specify such a disposition within that time, the mortgage ~~broker~~ *company* shall maintain the excess money in the account.

➔ This subsection does not prohibit a mortgage ~~broker~~ *company* from requiring additional amounts to be paid into an impound trust account to recover a deficiency that exists in the account.

6. A mortgage ~~broker~~ *company* shall not make payments from an impound trust account in a manner that causes a policy of insurance to be cancelled or causes property taxes or similar payments to become delinquent.

Sec. 30. NRS 645B.175 is hereby amended to read as follows:

645B.175 1. Except as otherwise provided in this section, all money received by a mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* from an investor to acquire ownership of or a beneficial interest in a loan secured by a lien on real property must:

(a) Be deposited in:

(1) An insured depository financial institution; or

(2) An escrow account which is controlled by a person who is independent of the parties and subject to instructions regarding the account which are approved by the parties.

(b) Be kept separate from money:

(1) Belonging to the mortgage ~~broker~~ *company* in an account appropriately named to indicate that the money does not belong to the mortgage ~~broker~~ *company*.

(2) Received pursuant to subsection 4.

2. Except as otherwise provided in this section, the amount held in trust pursuant to subsection 1 must be released:



(a) Upon completion of the loan, including proper recordation of the respective interests or release, or upon completion of the transfer of the ownership or beneficial interest therein, to the debtor or the debtor's designee less the amount due the mortgage ~~broker~~ company for the payment of any fee or service charge;

(b) If the loan or the transfer thereof is not consummated, to each investor who furnished the money held in trust; or

(c) Pursuant to any instructions regarding the escrow account.

3. The amount held in trust pursuant to subsection 1 must not be released to the debtor or the debtor's designee unless:

(a) The amount released is equal to the total amount of money which is being loaned to the debtor for that loan, less the amount due the mortgage ~~broker~~ company for the payment of any fee or service charge; and

(b) The mortgage ~~broker~~ company has provided a written instruction to a title agent or title insurer requiring that a lender's policy of title insurance or appropriate title endorsement, which names as an insured each investor who owns a beneficial interest in the loan, be issued for the real property securing the loan.

4. Except as otherwise provided in this section, all money paid to a mortgage ~~broker~~ company and his or her mortgage ~~agents~~ loan originators by a person in full or in partial payment of a loan secured by a lien on real property, must:

(a) Be deposited in:

(1) An insured depository financial institution; or

(2) An escrow account which is controlled by a person who is subject to instructions regarding the account which are approved by the parties.

(b) Be kept separate from money:

(1) Belonging to the mortgage ~~broker~~ company in an account appropriately named to indicate that it does not belong to the mortgage ~~broker~~ company.

(2) Received pursuant to subsection 1.

5. Except as otherwise provided in this section, the amount held in trust pursuant to subsection 4:

(a) Must be released, upon the deduction and payment of any fee or service charge due the mortgage ~~broker~~ company, to each investor who owns a beneficial interest in the loan in exact proportion to the beneficial interest that the investor owns in the loan; and

(b) Must not be released, in any proportion, to an investor who owns a beneficial interest in the loan, unless the amount described in



paragraph (a) is also released to every other investor who owns a beneficial interest in the loan.

6. An investor may waive, in writing, the right to receive one or more payments, or portions thereof, that are released to other investors in the manner set forth in subsection 5. A mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not act as the attorney-in-fact or the agent of an investor with respect to the giving of a written waiver pursuant to this subsection. Any such written waiver applies only to the payment or payments, or portions thereof, that are included in the written waiver and does not affect the right of the investor to:

(a) Receive the waived payment or payments, or portions thereof, at a later date; or

(b) Receive all other payments in full and in accordance with the provisions of subsection 5.

7. Upon reasonable notice, any mortgage ~~broker~~ *company* described in this section shall:

(a) Account to any investor or debtor who has paid to the mortgage ~~broker~~ *company* or his or her mortgage ~~agents~~ *loan originators* money that is required to be deposited in a trust account pursuant to this section; and

(b) Account to the Commissioner for all money which the mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* have received from each investor or debtor and which the mortgage ~~broker~~ *company* is required to deposit in a trust account pursuant to this section.

8. Money received by a mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* pursuant to this section from a person who is not associated with the mortgage ~~broker~~ *company* may be held in trust for not more than 45 days before an escrow account must be opened in connection with the loan. If, within this 45-day period, the loan or the transfer therefor is not consummated, the money must be returned within 24 hours. If the money is so returned, it may not be reinvested with the mortgage ~~broker~~ *company* for at least 15 days.

9. If a mortgage ~~broker~~ *company* or a mortgage ~~agent~~ *loan originator* receives any money pursuant to this section, the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*, after the deduction and payment of any fee or service charge due the mortgage ~~broker~~ *company*, shall not release the money to:

(a) Any person who does not have a contractual or legal right to receive the money; or



(b) Any person who has a contractual right to receive the money if the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* knows or, in light of all the surrounding facts and circumstances, reasonably should know that the person's contractual right to receive the money violates any provision of this chapter or a regulation adopted pursuant to this chapter.

10. If a mortgage ~~broker~~ *company* maintains any accounts described in subsection 1 or 4, the mortgage ~~broker~~ *company* shall, in addition to the annual financial statement audited pursuant to NRS 645B.085, submit to the Commissioner each 6 calendar months a financial statement concerning those trust accounts.

11. The Commissioner shall adopt regulations concerning the form and content required for financial statements submitted pursuant to subsection 10.

12. Any duty, responsibility or obligation of a mortgage ~~broker~~ *company* pursuant to this chapter is not delegable or transferable to an investor, and, if an investor only provides money to acquire ownership of or a beneficial interest in a loan secured by a lien on real property, no criminal or civil liability may be imposed on the investor for any act or omission of a mortgage ~~broker~~ *company*.

Sec. 31. NRS 645B.180 is hereby amended to read as follows:

645B.180 1. Money in an impound trust account is not subject to execution or attachment on any claim against the mortgage ~~broker~~ *company* or his or her mortgage ~~agents~~ *loan originators*.

2. It is unlawful for a mortgage ~~broker~~ *company* or his or her mortgage ~~agents~~ *loan originators* knowingly to keep or cause to be kept any money in a depository financial institution under the heading of "impound trust account" or any other name designating such money as belonging to the investors or debtors of the mortgage ~~broker~~ *company*, unless the money has been paid to the mortgage ~~broker~~ *company* or his or her mortgage ~~agents~~ *loan originators* by an investor or debtor and is being held in trust by the mortgage ~~broker~~ *company* pursuant to NRS 645B.170 or 645B.175.

Sec. 32. NRS 645B.185 is hereby amended to read as follows:

645B.185 1. A mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not accept money from a private investor to acquire ownership of or a beneficial interest in a loan secured by a lien on real property unless:

(a) The private investor and the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* sign and date a disclosure form that complies with the provisions of this section; and



(b) The mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* gives the private investor the original disclosure form that has been signed and dated.

2. A private investor and a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* must sign and date a separate disclosure form pursuant to subsection 1 for each loan in which the private investor invests his or her money. A mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not act as the attorney-in-fact or the agent of a private investor with respect to the signing or dating of any disclosure form.

3. In addition to the requirements of subsections 1 and 2, a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not accept money from a private investor to acquire ownership of or a beneficial interest in a loan secured by a lien on real property, unless the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* gives the private investor a written form by which the private investor may request that the mortgage ~~broker~~ *company* authorize the Commissioner to release the mortgage ~~broker's~~ *company's* financial statement to the private investor. Such a form must be given to the private investor for each loan. If the private investor, before giving money to the mortgage ~~broker~~ *company* for the loan, requests that the mortgage ~~broker~~ *company* authorize the release of a financial statement pursuant to this subsection, the mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* shall not accept money from the private investor for that loan until the mortgage ~~broker~~ *company* receives notice from the Commissioner that the financial statement has been released to the private investor.

4. A private investor and a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* may not agree to alter or waive the provisions of this section by contract or other agreement. Any such contract or agreement is void and must not be given effect to the extent that it violates the provisions of this section.

5. A mortgage ~~broker~~ *company* shall retain a copy of each disclosure form that is signed and dated pursuant to subsection 1 for the period that is prescribed in the regulations adopted by the Commissioner.

6. The standard provisions for each such disclosure form must include, without limitation, statements:

(a) Explaining the risks of investing through the mortgage ~~broker~~ *company*, including, without limitation:

(1) The possibility that the debtor may default on the loan;



(2) The nature of the losses that may result through foreclosure;

(3) The fact that payments of principal and interest are not guaranteed and that the private investor may lose the entire amount of principal that he or she has invested;

(4) The fact that the mortgage ~~broker~~ company is not a depository financial institution and that the investment is not insured by any depository insurance and is not otherwise insured or guaranteed by the Federal or State Government; and

(5) Any other information required pursuant to the regulations adopted by the Commissioner; and

(b) Disclosing to the private investor the following information if the information is known or, in light of all the surrounding facts and circumstances, reasonably should be known to the mortgage ~~broker~~ company:

(1) Whether the real property that will secure the loan is encumbered by any other liens and, if so, the priority of each such lien, the amount of debt secured by each such lien and the current status of that debt, including, without limitation, whether the debt is being paid or is in default;

(2) Whether the mortgage ~~broker~~ company or any general partner, officer, director or mortgage ~~agent~~ loan originator of the mortgage ~~broker~~ company has any direct or indirect interest in the debtor;

(3) Whether any disciplinary action has been taken by the Commissioner against the mortgage ~~broker~~ company or any general partner, officer or director of the mortgage ~~broker~~ company within the immediately preceding 12 months, and the nature of any such disciplinary action;

(4) Whether the mortgage ~~broker~~ company or any general partner, officer or director of the mortgage ~~broker~~ company has been convicted within the immediately preceding 12 months for violating any law, ordinance or regulation that involves fraud, misrepresentation or a deceitful, fraudulent or dishonest business practice; and

(5) Any other information required pursuant to the regulations adopted by the Commissioner.

7. Whether or not a mortgage ~~broker~~ company is required to disclose any information to private investors through a disclosure form that complies with the provisions of this section, the Commissioner may order the mortgage ~~broker~~ company to disclose to private investors and other investors or to the general public any information concerning the mortgage ~~broker~~ company,



any general partner, officer, director or mortgage ~~agent~~ *loan originator* of the mortgage ~~broker~~ *company* or any loan in which the mortgage ~~broker~~ *company* is or has been involved, if the Commissioner, in his or her judgment, believes that the information:

(a) Would be of material interest to a reasonable investor who is deciding whether to invest money with the mortgage ~~broker~~ *company*; or

(b) Is necessary to protect the welfare of the public.

8. In carrying out the provisions of subsection 7, the Commissioner may, without limitation, order a mortgage ~~broker~~ *company* to include statements of disclosure prescribed by the Commissioner:

(a) In the disclosure form that must be given to private investors pursuant to subsection 1;

(b) In additional disclosure forms that must be given to private investors and other investors before or after they have invested money through the mortgage ~~broker~~ *company*; or

(c) In any advertisement that the mortgage ~~broker~~ *company* uses in carrying on his or her business.

9. The Commissioner:

(a) Shall adopt regulations prescribing the period for which a mortgage ~~broker~~ *company* must retain a copy of each disclosure form that is given to private investors; and

(b) May adopt any other regulations that are necessary to carry out the provisions of this section, including, without limitation, regulations specifying the size of print and any required formatting or typesetting that a mortgage ~~broker~~ *company* must use in any form that is given to private investors.

Sec. 33. NRS 645B.186 is hereby amended to read as follows:

645B.186 1. If a licensee or a relative of the licensee is licensed as, conducts business as or holds a controlling interest or position in:

(a) A construction control;

(b) An escrow agency or escrow agent; or

(c) A title agent, a title insurer or an escrow officer of a title agent or title insurer,

↳ the licensee shall fully disclose his or her status as, connection to or relationship with the construction control, escrow agency, escrow agent, title agent, title insurer or escrow officer to each investor, and the licensee shall not require, as a condition to an investor acquiring ownership of or a beneficial interest in a loan secured by a lien on real property, that the investor transact business with or use the services of the construction control, escrow agency, escrow agent,



title agent, title insurer or escrow officer or that the investor authorize the licensee to transact business with or use the services of the construction control, escrow agency, escrow agent, title agent, title insurer or escrow officer on behalf of the investor.

2. For the purposes of this section, a person shall be deemed to hold a controlling interest or position if the person:

(a) Owns or controls a majority of the voting stock or holds any other controlling interest, directly or indirectly, that gives the person the power to direct management or determine policy; or

(b) Is a partner, officer, director or trustee.

3. As used in this section, "licensee" means:

(a) A person who is licensed as a mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator pursuant to this chapter; and

(b) Any general partner, officer or director of such a person.

Sec. 34. NRS 645B.187 is hereby amended to read as follows:

645B.187 1. If a mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator solicits or receives money from an investor, the mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator shall not:

(a) In any advertisement; or

(b) Before, during or after solicitation or receipt of money from the investor,

↳ make, or cause or encourage to be made, any explicit or implicit statement, representation or promise, oral or written, which a reasonable person would construe as a guarantee that the investor will be repaid the principal amount of money he or she invests or will earn a specific rate of return or a specific rate of interest on the principal amount of money he or she invests.

2. If a mortgage ~~broker~~ company offers to pay or pays premium interest on money that the mortgage ~~broker~~ company receives from a person to acquire ownership of or a beneficial interest in a loan secured by a lien on real property or in full or partial payment of such a loan:

(a) The premium interest must be paid from the assets or income of the mortgage ~~broker~~ company; and

(b) The mortgage ~~broker~~ company or a mortgage ~~agent~~ loan originator shall not:

(1) In any advertisement; or

(2) Before, during or after receipt of money from such a person,

↳ make, or cause or encourage to be made, any explicit or implicit statement, representation or promise, oral or written, which a



reasonable person would construe as a guarantee that the mortgage ~~broker~~ company will pay the premium interest.

3. A person who violates any provision of this section is guilty of a misdemeanor and shall be punished as provided in NRS 645B.950.

4. As used in this section, "premium interest" means that amount of interest a mortgage ~~broker~~ company pays to a person which exceeds the amount which is being obtained from the insured depository financial institution.

Sec. 35. NRS 645B.189 is hereby amended to read as follows:

645B.189 1. If, in carrying on his or her business, a mortgage ~~broker~~ company uses an advertisement that is designed, intended or reasonably likely to solicit money from private investors, the mortgage ~~broker~~ company shall include in each such advertisement a statement of disclosure in substantially the following form:

Money invested through a mortgage ~~broker~~ company is not guaranteed to earn any interest or return and is not insured.

2. A mortgage ~~broker~~ company shall include in each advertisement that the mortgage ~~broker~~ company uses in carrying on his or her business any statements of disclosure required pursuant to the regulations adopted by the Commissioner or required pursuant to an order of the Commissioner entered in accordance with subsections 7 and 8 of NRS 645B.185.

3. Each mortgage ~~broker~~ company who has received an initial license within the past 12 months shall submit any proposed advertisement that the mortgage ~~broker~~ company intends to use in carrying on his or her business to the Commissioner for approval.

4. In addition to the requirements set forth in this chapter, each advertisement that a mortgage ~~broker~~ company uses in carrying on his or her business must comply with the requirements of:

(a) NRS 598.0903 to 598.0999, inclusive, concerning deceptive trade practices; and

(b) Any applicable federal statute or regulation concerning deceptive advertising and the advertising of interest rates.

5. If a mortgage ~~broker~~ company violates any provision of NRS 598.0903 to 598.0999, inclusive, concerning deceptive trade practices or any federal statute or regulation concerning deceptive advertising or the advertising of interest rates, in addition to any sanction or penalty imposed by state or federal law upon the mortgage ~~broker~~ company for the violation, the Commissioner



may take any disciplinary action set forth in paragraph (b) of subsection 1 of NRS 645B.670 against the mortgage ~~broker~~ company.

6. The Commissioner may adopt any regulations that are necessary to carry out the provisions of this section.

Sec. 36. NRS 645B.196 is hereby amended to read as follows:

645B.196 1. An advertising spokesperson for a mortgage ~~broker~~ company is jointly and severally liable with the mortgage ~~broker~~ company for damages caused by the mortgage ~~broker~~ company by fraud, embezzlement, misappropriation of property, a violation of the provisions of this chapter or the regulations adopted pursuant thereto, or an action of the mortgage ~~broker~~ company that is grounds for disciplinary action, if:

(a) The advertising spokesperson knew or should have known of the fraud, embezzlement, misappropriation of property, violation of the provisions of this chapter or the regulations adopted pursuant thereto, or action of the mortgage ~~broker~~ company that is grounds for disciplinary action; or

(b) In advertising for the mortgage ~~broker~~ company, the advertising spokesperson knew or should have known that:

(1) The conduct of the advertising spokesperson was likely to deceive, defraud or harm the public or any person who engaged in business with the mortgage ~~broker~~ company; or

(2) The advertising spokesperson was disseminating material information concerning the mortgage ~~broker~~ company or the business, products or services of the mortgage ~~broker~~ company which was false or misleading.

2. As used in this section:

(a) “Advertising for a mortgage ~~broker~~ company” means advertising or otherwise promoting a mortgage ~~broker~~ company or the business, products or services of the mortgage ~~broker~~ company using any medium of communication.

(b) “Advertising spokesperson for a mortgage ~~broker~~ company” or “advertising spokesperson” means a person who consents to and receives compensation for using his or her name or likeness in advertising for a mortgage ~~broker~~ company.

Sec. 37. NRS 645B.240 is hereby amended to read as follows:

645B.240 1. If a person is required to make a payment to a mortgage ~~broker~~ company pursuant to the terms of a loan secured by a lien on real property, the mortgage ~~broker~~ company may not charge the person a late fee, an additional amount of interest or any other penalty in connection with that payment if the payment is delivered to the mortgage ~~broker~~ company before 5 p.m. on:



(a) The day that the payment is due pursuant to the terms of the loan, if an office of the mortgage ~~broker~~ company is open to customers until 5 p.m. on that day; or

(b) The next day that an office of the mortgage ~~broker~~ company is open to customers until 5 p.m., if the provisions of paragraph (a) do not otherwise apply.

2. A person and a mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator may not agree to alter or waive the provisions of this section by contract or other agreement, and any such contract or agreement is void and must not be given effect to the extent that it violates the provisions of this section.

Sec. 38. NRS 645B.250 is hereby amended to read as follows:

645B.250 Except pursuant to a contract for the collection or servicing of a loan which is governed by the requirements established by the Government National Mortgage Association, Federal Home Loan Mortgage Corporation or Federal National Mortgage Association, a mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator shall not advance payments to an investor on behalf of a person who has obtained a loan secured by a lien on real property and who has defaulted in his or her payments.

Sec. 39. NRS 645B.260 is hereby amended to read as follows:

645B.260 1. If a mortgage ~~broker~~ company maintains any accounts described in subsection 4 of NRS 645B.175 in which the mortgage ~~broker~~ company deposits payments from a debtor on a loan secured by a lien on real property and, on the last day of any month, the debtor has failed to make two or more consecutive payments in accordance with the terms of the loan, the mortgage ~~broker~~ company shall:

(a) Include in the report that the mortgage ~~broker~~ company submits to the Commissioner pursuant to subsection 2 of NRS 645B.080 the information relating to delinquencies in payments and defaults that is required by the regulations adopted pursuant to subsection 2;

(b) Not later than 15 days after the last day of each such month, mail to the last known address of each investor who owns a beneficial interest in the loan a notice containing the information relating to delinquencies in payments and defaults that is required by the regulations adopted pursuant to subsection 2; and

(c) Comply with the provisions of this section each month on a continuing basis until:

(1) The debtor or the debtor's designee remedies the delinquency in payments and any default; or

(2) The lien securing the loan is extinguished.



2. The Commissioner:

(a) Shall adopt regulations prescribing the information relating to delinquencies in payments and defaults that a mortgage ~~broker~~ *company* must include in his or her report to the Commissioner and in the notice mailed to investors pursuant to subsection 1. Such regulations may provide for variations between the information that a mortgage ~~broker~~ *company* must include in his or her report to the Commissioner and the information that a mortgage ~~broker~~ *company* must include in the notice mailed to investors.

(b) May adopt any other regulations that are necessary to carry out the provisions of this section.

Sec. 40. NRS 645B.300 is hereby amended to read as follows:

645B.300 1. Except as otherwise provided in subsection 4, a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not accept money from an investor to acquire ownership of or a beneficial interest in a loan secured by a lien on real property, unless the mortgage ~~broker~~ *company* has obtained a written appraisal of the real property securing the loan.

2. The written appraisal of the real property:

(a) Must be completed not more than 6 months before the mortgage ~~broker's~~ *company's* first solicitation for the loan;

(b) Must meet the standards set forth in the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Standards Board of The Appraisal Foundation;

(c) Must be performed by an appraiser who is authorized to perform appraisals in this State or in the state where the real property securing the loan is located; and

(d) Must not be performed by the mortgage ~~broker~~ *company* or a mortgage ~~agent~~ *loan originator*, unless the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* is certified or licensed to perform such an appraisal pursuant to chapter 645C of NRS.

3. A copy of the written appraisal of the real property must be:

(a) Maintained at each office of the mortgage ~~broker~~ *company* where money is accepted from an investor to acquire ownership of or a beneficial interest in a loan secured by a lien on the real property; and

(b) Made available during normal business hours for inspection by each such investor and the Commissioner.

4. A mortgage ~~broker~~ *company* is not required to obtain a written appraisal of the real property pursuant to this section if the mortgage ~~broker~~ *company* obtains a written waiver of the appraisal from each investor who acquires ownership of or a beneficial interest in a loan secured by a lien on the real property. A



mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator shall not act as the attorney-in-fact or the agent of an investor with respect to the giving of a written waiver pursuant to this subsection.

5. If the mortgage ~~broker~~ company obtains a written waiver of the appraisal as provided in subsection 4, the mortgage ~~broker~~ company shall provide to each investor before accepting any money from the investor a separate written disclosure which contains the information analyzed, the valuation methods and techniques employed and the reasoning for any opinion regarding value provided by or on behalf of the mortgage ~~broker~~ company.

6. As used in this section, "appraisal" has the meaning ascribed to it in NRS 645C.030.

Sec. 41. NRS 645B.305 is hereby amended to read as follows:

645B.305 A mortgage ~~broker~~ company shall ensure that each loan secured by a lien on real property for which he or she engages in activity as a mortgage ~~broker~~ company includes a disclosure:

1. Describing, in a specific dollar amount, all fees earned by the mortgage ~~broker~~ company;
2. Explaining which party is responsible for the payment of the fees described in subsection 1; and
3. Explaining the probable impact the fees described in subsection 1 may have on the terms of the loan, including, without limitation, the interest rates.

Sec. 42. NRS 645B.307 is hereby amended to read as follows:

645B.307 A mortgage ~~broker~~ company shall ensure that each loan secured by a lien on real property for which he or she engages in activity as a mortgage ~~broker~~ company includes:

1. If the mortgage ~~broker~~ company is not registered with the Registry, the license number of the mortgage ~~broker~~ company; or
2. Any identifying number issued by the Registry.

Sec. 43. NRS 645B.310 is hereby amended to read as follows:

645B.310 A mortgage ~~broker~~ company shall not assign all or a part of his or her interest in a loan secured by a lien on real property, unless the mortgage ~~broker~~ company:

1. Obtains a policy of title insurance for the real property;
2. Obtains the approval of the assignment from each investor who has acquired ownership of or a beneficial interest in the loan if, at the time of the assignment, the debtor on the loan has defaulted in making a payment required for the loan or any portion of the loan; and
3. Records the assignment in the office of the county recorder of the county in which the real property is located.



Sec. 44. NRS 645B.320 is hereby amended to read as follows:

645B.320 If money from an investor is released to a debtor or the debtor's designee pursuant to subsection 2 of NRS 645B.175 upon completion of a loan secured by a lien on real property, the mortgage ~~broker~~ *company* that arranged the loan shall, not later than 3 business days after the date on which the mortgage ~~broker~~ *company* receives a copy of the recorded deed of trust, mail to the last known address of each investor who owns a beneficial interest in the loan a copy of the recorded deed of trust.

Sec. 45. NRS 645B.330 is hereby amended to read as follows:

645B.330 1. A mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not engage in any act or transaction on behalf of a private investor pursuant to a power of attorney unless:

(a) The power of attorney is executed for the sole purpose of providing services for not more than one specific loan in which the private investor owns a beneficial interest; and

(b) The provisions of the power of attorney:

(1) Have been approved by the Commissioner;

(2) Expressly prohibit the mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* from engaging in any act or transaction that subordinates the priority of a recorded deed of trust unless, before such an act or transaction, the mortgage ~~broker~~ *company* obtains written approval for the subordination from the private investor;

(3) Expressly prohibit the mortgage ~~broker~~ *company* and his or her mortgage ~~agents~~ *loan originators* from using or releasing any money in which the private investor owns a beneficial interest with regard to the specific loan for a purpose that is not directly related to providing services for the loan unless, before any such money is used or released for another purpose, the mortgage ~~broker~~ *company* obtains written approval from the private investor to use or release the money for the other purpose; and

(4) Expressly provide that the power of attorney is effective only for the term of the specific loan unless the mortgage ~~broker~~ *company* obtains written approval from the private investor to extend the term of the power of attorney to provide services for not more than one other loan and the written approval:

(I) Identifies the loan for which the power of attorney was executed; and

(II) Identifies the loan for which the written approval is being given.

2. A mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not act as the attorney-in-fact or the agent of a



private investor with respect to the giving of written approval pursuant to paragraph (b) of subsection 1. A private investor and a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* may not agree to alter or waive the provisions of this section by contract or other agreement. Any such contract or agreement is void and must not be given effect to the extent that it violates the provisions of this section.

3. Except as otherwise provided in subsection 4, a power of attorney which designates a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* as the attorney-in-fact or the agent of a private investor and which violates the provisions of this section is void and must not be given effect with regard to any act or transaction that occurs on or after October 1, 1999, whether or not the power of attorney is or has been executed by the private investor before, on or after October 1, 1999.

4. The provisions of subsection 3 do not apply to a power of attorney that designates a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* as the attorney-in-fact or the agent of a private investor if the power of attorney:

(a) Was executed before July 1, 2001; and

(b) Complied with the provisions of this section that were in effect on October 1, 1999.

5. The provisions of this section do not limit the right of a private investor to include provisions in a power of attorney that are more restrictive than the provisions set forth in subsection 1.

Sec. 46. NRS 645B.340 is hereby amended to read as follows:

645B.340 1. Except as otherwise provided by law or by agreement between the parties and regardless of the date the interests were created, if the beneficial interest in a loan or the ownership interest in the real property previously securing the loan belongs to more than one person, the holders of the beneficial interest in a loan whose interests represent 51 percent or more of the outstanding principal balance of the loan or the holders of 51 percent or more of the ownership interest in the real property, as indicated on a trustee's deed upon sale recorded pursuant to subsection 10 of NRS 107.080, a deed recorded pursuant to subsection 5 of NRS 40.430 or a deed in lieu of foreclosure, and any subsequent deed selling, transferring or assigning an ownership interest, may act on behalf of all the holders of the beneficial interests or ownership interests of record on matters which require the action of the holders of the beneficial interests in the loan or the ownership interests in the real property, including, without limitation:



(a) The designation of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*, servicing agent or any other person to act on behalf of all the holders of the beneficial interests or ownership interests of record;

(b) The foreclosure of the property for which the loan was made;

(c) The subsequent sale, transfer, encumbrance or lease of real property owned by the holders resulting from a foreclosure or the receipt of a deed in lieu of a foreclosure in full satisfaction of a loan, to a bona fide purchaser or encumbrancer for value;

(d) The release of any obligation under a loan in return for an interest in equity in the real property or, if the loan was made to a person other than a natural person, an interest in equity of that entity; and

(e) The modification or restructuring of any term of the loan, deed of trust or other document relating to the loan, including, without limitation, changes to the maturity date, interest rate and the acceptance of payment of less than the full amount of the loan and any accrued interest in full satisfaction of the loan.

2. A person designated to act pursuant to subsection 1 on behalf of the holders of the beneficial interest in a loan or the ownership interest in real property shall, not later than 30 days before the date on which the holders will determine whether or not to act pursuant to subsection 1, send a written notice of the action to each holder of a beneficial interest or ownership interest at the holder's last known address, by a delivery service that provides proof of delivery or evidence that the notice was sent. The written notice must state:

(a) The actions that will be taken on behalf of the holders who consent to an action pursuant to this section, if the holders of the beneficial interest in a loan whose interests represent 51 percent or more of the outstanding principal balance of the loan or the holders of 51 percent or more of the ownership interest in the real property act pursuant to subsection 1;

(b) The actions that will be taken on behalf of the holders who do not consent to an action pursuant to this section, if the holders of the beneficial interest in a loan whose interests represent 51 percent or more of the outstanding principal balance of the loan or the holders of 51 percent or more of the ownership interest in the real property act pursuant to subsection 1; and

(c) The amount of the costs or, if an amount is unknown, an estimate of the amount of the costs that will be allocated to, or due from, the holder and deducted from any proceeds owed to the holder.



3. If real property is sold, transferred, encumbered or leased pursuant to paragraph (c) of subsection 1, any beneficial interest in the loan or ownership interest in the real property of a holder who does not consent to the sale, transfer, encumbrance or lease, including, without limitation, any interest of a tenant in common who does not consent to the sale, transfer, encumbrance or lease, must be sold, transferred, encumbered or leased by a reference to this section and by the signatures on the necessary documents of the holders consenting to the sale, transfer, encumbrance or lease of the real property. The holders consenting to the sale, transfer, encumbrance or lease of the real property shall designate a representative to sign any necessary documents on behalf of the holders who do not consent to the sale, transfer, encumbrance or lease and, if the representative maintains written evidence of the consent of the number of holders described in subsection 1, the representative is not liable for any action taken pursuant to this subsection.

4. Any action which is taken pursuant to subsection 1 must be in writing.

5. The provisions of this section do not apply to a transaction involving two investors with equal interests.

Sec. 47. NRS 645B.350 is hereby amended to read as follows:

645B.350 A mortgage ~~broker~~ company shall not accept money from an investor to acquire ownership of or a beneficial interest in a loan which has more than one investor at the time of origination unless the mortgage ~~broker~~ company provides to each investor a form which allows the investor to choose one of the following options:

1. That, upon receipt of a written request submitted by another investor who owns or has a beneficial interest in the loan, the mortgage ~~broker~~ company may provide to that other investor the name, address, telephone number and electronic mail address of the investor;

2. That, upon receipt of a written request submitted by another investor who owns or has a beneficial interest in the loan, the mortgage ~~broker~~ company may provide to that other investor the name, address, telephone number and electronic mail address of the investor only if the loan is in default; or

3. That the address, telephone number and electronic mail address of the investor must remain confidential and that the mortgage ~~broker~~ company may not provide that information to any other investor unless the investor provides the mortgage ~~broker~~



company with subsequent written permission to provide such information to other investors.

Sec. 48. NRS 645B.351 is hereby amended to read as follows:

645B.351 1. A mortgage ~~broker~~ *company* who makes or arranges a loan shall not include in any loan document a provision which requires a private investor to participate in binding arbitration of disputes relating to the loan.

2. The provisions of this section may not be varied by agreement, and the rights conferred by this section may not be waived. Any provision included in a loan document agreement that conflicts with this section is void.

Sec. 49. NRS 645B.352 is hereby amended to read as follows:

645B.352 1. Before servicing a loan in which a private investor has acquired a beneficial interest, a mortgage ~~broker~~ *company* must enter into a written servicing agreement with each investor which describes specifically the services which the mortgage ~~broker~~ *company* will provide and the compensation the mortgage ~~broker~~ *company* will receive for those services. The compensation of the mortgage ~~broker~~ *company* must include an amount reasonably necessary to pay the cost of servicing the loan.

2. A mortgage ~~broker~~ *company* shall include in each servicing agreement provisions which:

(a) Require the mortgage ~~broker~~ *company* to:

(1) Deposit in a trust account all money paid to the mortgage ~~broker~~ *company* in full or partial payment of a loan, unless a provision of law authorizes the mortgage ~~broker~~ *company* to deposit such money in a different manner;

(2) Release to the investors, pursuant to paragraph (a) of subsection 5 of NRS 645B.175, within 15 days after receipt of all money paid to the mortgage ~~broker~~ *company* in full or partial payment of a loan;

(3) Record a request for special notice and notice of default for any encumbrance on the real property which has priority over the lien securing the loan or any other real property securing the loan;

(4) Provide to each investor prompt written notice of:

(I) Any lis pendens, mechanic's lien or other lien recorded against the real property securing the loan after the origination of the loan if the mortgage ~~broker~~ *company* has become aware that such an instrument has been recorded; and

(II) Any delinquent taxes or insurance premiums;

(5) Upon receiving a written request from an investor for a tally of any vote of the investors, provide to the investor a statement



of the number of investors voting in favor of an action and the number of investors voting against the action and the percentage of beneficial interest represented by each such vote; and

(6) Respond within a reasonable time under the circumstances to the request of the borrower or investor to correct any errors relating to the loan.

(b) Prohibit the mortgage ~~broker~~ company from:

(1) Commingling with the assets of the mortgage ~~broker~~ company any money paid to the mortgage ~~broker~~ company in full or partial payment of a loan, unless a provision of law authorizes such commingling;

(2) Using money paid to the mortgage ~~broker~~ company in full or partial payment of a loan for any transaction other than the servicing transaction for which the money was paid, unless a provision of law authorizes such use; or

(3) Requiring an investor to participate in binding arbitration of disputes relating to the loan.

(c) Allow the majority of investors or the mortgage ~~broker~~ company to transfer the servicing agreement to another entity authorized to service loans or terminate the servicing agreement for any reason, upon providing written notice at least 30 days before the effective date of the transfer or termination.

Sec. 50. NRS 645B.353 is hereby amended to read as follows:

645B.353 Except as otherwise permitted by law, a mortgage ~~broker~~ company shall not release a borrower or guarantor from personal liability for a loan unless a majority of the investors approve such a release.

Sec. 51. NRS 645B.354 is hereby amended to read as follows:

645B.354 1. If an investor owes money to the mortgage ~~broker~~ company who is servicing a loan or to other investors, the mortgage ~~broker~~ company shall not withhold money due the investor in order to offset the money owed to the mortgage ~~broker~~ company or to another investor, unless:

(a) The mortgage ~~broker~~ company obtains the written consent of the investor who owes the money; or

(b) A court order requires the mortgage ~~broker~~ company to withhold the money.

2. A mortgage ~~broker~~ company may include in a loan servicing agreement a provision which provides written consent to withhold money due an investor in order to offset money owed by the investor to the mortgage ~~broker~~ company or other investors.



Sec. 52. NRS 645B.355 is hereby amended to read as follows:

645B.355 A mortgage ~~broker~~ *company* shall not act as a construction control with respect to money belonging to a borrower or investor. If a borrower or investor wishes to utilize a construction control for money belonging to the borrower or investor, a mortgage ~~broker~~ *company* must place the money with a person who is independent of the mortgage ~~broker~~ *company* and is licensed or authorized to accept such money. The money must be subject to the control of a construction control which is in compliance with, or exempt from, the provisions of NRS 627.180 or 627.183.

Sec. 53. NRS 645B.356 is hereby amended to read as follows:

645B.356 1. A mortgage ~~broker~~ *company* shall not place or arrange to place a private investor into a limited-liability company, business trust or other entity before or after foreclosure of the real property securing the loan, or receipt of a deed in lieu of foreclosure in full satisfaction of a loan secured by the real property, unless the mortgage ~~broker~~ *company*:

(a) Provides a copy of the organizational documents of the limited-liability company, business trust or other entity to each investor not later than 5 days before the transfer of the interest in the loan or the interest in the real property;

(b) Obtains the written authorization of a sufficient number of the investors to act on behalf of all the investors pursuant to NRS 645B.340; and

(c) Obtains the written authorization of each investor consenting to the transfer of his or her interest in the loan or in the real property to the limited-liability company, business trust or other entity.

2. If a private investor is placed into a limited-liability company, business trust or other entity pursuant to subsection 1, any beneficial interest in a loan or ownership interest in real property of the private investor who does not consent to the placement, including, without limitation, any interest of a tenant in common who does not consent to the placement, must be placed in the limited-liability company, business trust or other entity by a reference to this section and by the signatures on the necessary documents of the investors consenting to the placement. The investors who consent to an action pursuant to subsection 1 shall designate a representative to sign any necessary documents on behalf of the investors who do not consent to the action, and if the representative maintains written evidence of the consent of the number of investors described in paragraph (b) of subsection 1, the representative is not liable for any action taken pursuant to this subsection.



3. The documents provided to each investor pursuant to paragraph (a) of subsection 1 must clearly and concisely state any fees which will be paid to the mortgage ~~broker~~ *company* by the limited-liability company, business trust or other entity, and the sections of the documents that state fees must be initialed by the investor and any representative designated pursuant to subsection 2.

4. A mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* shall not act as the attorney-in-fact or the agent of a private investor for the signing or dating of the written authorization.

5. Any term of a contract or other agreement that attempts to alter or waive the requirements of this section is void.

Sec. 54. NRS 645B.357 is hereby amended to read as follows:

645B.357 1. A mortgage ~~broker~~ *company* shall not assess or collect any fee which is not:

(a) Authorized by the loan documents or loan servicing agreement; and

(b) Assessed or collected in exchange for bona fide services rendered or costs incurred.

2. A mortgage ~~broker~~ *company* shall apply all fees collected in the manner set forth in the loan documents or loan servicing agreement.

Sec. 55. NRS 645B.400 is hereby amended to read as follows:

645B.400 A person shall not act as or provide any of the services of a mortgage ~~agent or~~ *loan originator*, otherwise engage in, carry on or hold himself or herself out as engaging in or carrying on the activities of a mortgage ~~agent~~ *loan originator or supervise a mortgage loan originator* unless the person:

1. Has a license as a mortgage ~~agent~~ *loan originator* issued pursuant to NRS 645B.410 ~~†~~

~~2. Is:~~

~~(a) If the person is not a loan processor who is an independent contractor, an employee of a mortgage broker or mortgage banker; or~~

~~(b) An† to 645B.460, inclusive, or is an employee of or associated with a person who holds a certificate of exemption pursuant to NRS 645B.016.~~

~~3.†~~ 2. If the person is required to register with the Registry:

(a) Is an employee of and whose sponsorship has been entered with the Registry by a mortgage ~~broker, mortgage banker~~ *company* or person who holds a certificate of exemption pursuant to NRS 645B.016 as required by subsection 2 of NRS 645B.450; and



(b) Is registered with and provides any identifying number issued by the Registry.

Sec. 56. NRS 645B.405 is hereby amended to read as follows:

645B.405 A mortgage ~~broker~~ *company* or qualified employee who wishes to engage in activities as a residential mortgage loan originator or to supervise a mortgage ~~agent~~ *loan originator* who engages in activities as a residential mortgage loan originator must obtain and maintain a license as a mortgage ~~agent~~ *loan originator* pursuant to the provisions of NRS 645B.400 to 645B.460, inclusive.

Sec. 57. NRS 645B.410 is hereby amended to read as follows:

645B.410 1. To obtain a license as a mortgage ~~agent~~ *loan originator*, a person must:

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

(1) Employed by, or have received an offer of employment from, a mortgage ~~broker~~;

~~(2) Employed by, or have received an offer of employment from, a mortgage banker;~~

~~(3) *company*;~~

(2) Associated with or employed by, or have received an offer of a contract with or an offer of employment from, a person who holds a certificate of exemption pursuant to NRS 645B.016; or

~~(4)~~ (3) A loan processor who is not an employee and who is associated with, or has received an offer of a contract with, a mortgage ~~broker, mortgage banker~~ *company* or person who holds a certificate of exemption pursuant to NRS 645B.016.

2. An application for a license as a mortgage ~~agent~~ *loan originator* must:

- (a) State the name and residence address of the applicant;
- (b) Include a provision by which the applicant gives written consent to the Division and, if applicable, the Registry for an investigation of his or her credit history, criminal history and background;
- (c) Unless fingerprints were submitted to the Registry, include a complete set of fingerprints which the Division may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;



(d) Include a verified statement from the mortgage ~~broker, mortgage banker~~ **company** or person who holds a certificate of exemption pursuant to NRS 645B.016 with whom the applicant will be associated or employed that expresses the intent of that mortgage ~~broker, mortgage banker~~ **company** or exempt person to employ or associate the applicant with the mortgage ~~broker, mortgage banker~~ **company** or exempt person and to be responsible for the activities of the applicant as a mortgage ~~agent~~ **loan originator**; and

(e) Include any other information or supporting materials required pursuant to the regulations adopted by the Commissioner, by an order of the Commissioner or, if applicable, by the Registry. Such information or supporting materials may include, without limitation, other forms of identification of the person.

3. Except as otherwise provided by law, the Commissioner shall issue a license as a mortgage ~~agent~~ **loan originator** to an applicant if:

(a) The application is verified by the Commissioner and complies with the applicable requirements of this chapter, other applicable law and, if applicable, the Registry; and

(b) The applicant:

(1) Has not been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, money laundering or moral turpitude;

(2) Has never had a license or registration as a mortgage agent, mortgage banker, mortgage broker, **mortgage company, mortgage loan originator** or residential mortgage loan originator revoked in this State or any other jurisdiction, or had a financial services license revoked within the immediately preceding 10 years;

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

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

(5) Has demonstrated financial responsibility, character and general fitness so as to command the confidence of the community and warrant a determination that the applicant will operate honestly, fairly and efficiently for the purposes of this chapter.

4. Money received by the Commissioner pursuant to this section is in addition to any fee required to be paid to the Registry



and must be deposited in the Account for Mortgage Lending created by NRS 645F.270.

5. The Commissioner may require the submission of an item or the payment of a fee required by this section directly to the Commissioner or, if the person submitting the item or fee is required to register or voluntarily registers with the Registry, to the Commissioner through the Registry.

Sec. 57.5. NRS 645B.420 is hereby amended to read as follows:

645B.420 1. In addition to any other requirements set forth in this chapter:

(a) An applicant for the issuance of a license as a mortgage ~~agent~~ *loan originator* pursuant to this chapter shall include the social security number of the applicant in the application submitted to the Commissioner.

(b) An applicant for the issuance or renewal of a license as a mortgage ~~agent~~ *loan originator* pursuant to this chapter shall submit to the Commissioner the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Commissioner shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of a license as a mortgage ~~agent~~ *loan originator*; or

(b) A separate form prescribed by the Commissioner.

3. The license as a mortgage ~~agent~~ *loan originator* may not be issued or renewed by the Commissioner if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Commissioner shall advise the applicant to contact the district attorney or other public agency enforcing the order to



determine the actions that the applicant may take to satisfy the arrearage.

Sec. 58. NRS 645B.430 is hereby amended to read as follows:

645B.430 1. A license as a mortgage ~~agent~~ *loan originator* issued pursuant to NRS 645B.410 expires each year on December 31, unless it is renewed. To renew a license as a mortgage ~~agent~~ *loan originator*, the holder of the license must continue to meet the requirements of subsection 3 of NRS 645B.410 and must submit to the Commissioner on or after November 1 and on or before December 31 of each year, or on a date otherwise specified by the Commissioner by regulation:

(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~~ *loan originator* 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. In lieu of the continuing education requirement set forth in paragraph (b) of subsection 1, the holder of a license as a mortgage ~~agent~~ *loan originator* who, pursuant to subsection 1 of NRS 645F.267, is not required to register or renew with the Registry and who has not voluntarily registered or renewed with the Registry must submit to the Commissioner satisfactory proof that he or she attended at least 5 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires. The hours of continuing education required by this subsection must include:

(a) At least 3 hours relating to the laws and regulations of this State; and

(b) At least 2 hours relating to ethics.

3. If the holder of the license as a mortgage ~~agent~~ *loan originator* fails to submit any item required pursuant to subsection 1 or 2 to the Commissioner on or after November 1 and on or before December 31 of any year, unless a different date is specified by the Commissioner by regulation, the license is cancelled as of December 31 of that year. The Commissioner may reinstate a cancelled license if the holder of the license submits to the Commissioner on or before February 28 of the following year:

(a) An application for renewal;

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



(c) A reinstatement fee of \$75.

4. To change the mortgage ~~broker~~ *company* with whom the mortgage ~~agent~~ *loan originator* is associated, a person must pay a fee in an amount prescribed by regulation of the Commissioner, not to exceed \$50.

5. Money received by the Commissioner pursuant to this section is in addition to any fee that must be paid to the Registry and must be deposited in the Account for Mortgage Lending created by NRS 645F.270.

6. The Commissioner may require a licensee to submit an item or pay a fee required by this section directly to the Division or, if the licensee is required to register or voluntarily registers with the Registry, to the Division through the Registry.

7. Nothing in this section shall be construed as preventing the Commissioner from renewing the license of a mortgage ~~agent~~ *loan originator* who does not satisfy the criteria set forth in paragraph (e) of subsection 1 of NRS 645B.410 at the time of the application for renewal.

8. As used in this section, "certified course of continuing education" has the meaning ascribed to it in NRS 645B.051.

Sec. 59. NRS 645B.450 is hereby amended to read as follows:

645B.450 1. A person licensed as a mortgage ~~agent~~ *loan originator* pursuant to the provisions of NRS 645B.410 may not be associated with or employed by more than one licensed or registered mortgage ~~broker or mortgage banker~~ *company* or person who holds a certificate of exemption pursuant to NRS 645B.016 at the same time.

2. A mortgage ~~broker, mortgage banker~~ *company* or person who holds a certificate of exemption pursuant to NRS 645B.016 shall not associate with or employ a person as a mortgage ~~agent~~ *loan originator* or authorize a person to be associated with the mortgage ~~broker, mortgage banker~~ *company* or exempt person who holds a certificate of exemption pursuant to NRS 645B.016 as a mortgage ~~agent~~ *loan originator* if the mortgage ~~agent~~ *loan originator* is not licensed with the Division pursuant to NRS 645B.410. Before allowing a mortgage ~~agent~~ *loan originator* to act on its behalf, a mortgage ~~broker, mortgage banker~~ *company* or person who holds a certificate of exemption pursuant to NRS 645B.016, must:

(a) Enter its sponsorship of the mortgage ~~agent~~ *loan originator* with the Registry; or



(b) If the mortgage ~~agent~~ *loan originator* is not required to be registered with the Registry, notify the Division of its sponsorship of the mortgage ~~agent~~ *loan originator*.

3. If a mortgage ~~agent~~ *loan originator* terminates his or her association or employment with a mortgage ~~broker, mortgage banker~~ *company* or exempt person who holds a certificate of exemption pursuant to NRS 645B.016 for any reason, the mortgage ~~broker, mortgage banker~~ *company* or person who holds a certificate of exemption pursuant to NRS 645B.016 shall, not later than the third business day following the date of termination:

(a) Remove its sponsorship of the mortgage ~~agent~~ *loan originator* from the Registry; or

(b) If the mortgage ~~agent~~ *loan originator* is not required to be registered with the Registry, deliver to the Division and to the mortgage ~~agent~~ *loan originator* at the last known residence address of the mortgage ~~agent~~ *loan originator* a written statement which includes the name, address and license number of the mortgage ~~agent~~ *loan originator* and a statement of the circumstances of the termination.

Sec. 60. NRS 645B.460 is hereby amended to read as follows:

645B.460 1. A mortgage ~~broker~~ *company* shall exercise reasonable supervision and control over the activities of his or her mortgage ~~agents~~ *loan originators* and must also be licensed as a mortgage ~~agent~~ *loan originator* if required pursuant to NRS 645B.405. Such reasonable supervision and control must include, as appropriate:

(a) The establishment of written policies and procedures for the mortgage ~~agents;~~ *loan originators;*

(b) The establishment of a system to review, oversee and inspect the activities of the mortgage ~~agents;~~ *loan originators*, including, without limitation:

(1) Transactions handled by the mortgage ~~agents;~~ *loan originators* pursuant to this chapter;

(2) Communications between the mortgage ~~agents;~~ *loan originators* and a party to such a transaction;

(3) Documents prepared by the mortgage ~~agents;~~ *loan originators* that may have a material effect upon the rights or obligations of a party to such a transaction; and

(4) The handling by the mortgage ~~agents;~~ *loan originators* of any fee, deposit or money paid to the mortgage ~~broker~~ *company* or the mortgage ~~agents;~~ *loan originators* or held in trust by the mortgage ~~broker~~ *company* or the mortgage ~~agents;~~ *loan originators* pursuant to this chapter; and



(c) The establishment of a system of reporting to the Division of any fraudulent activity engaged in by any of the mortgage ~~{agents}~~ *loan originators*.

2. The Commissioner shall allow a mortgage ~~{broker}~~ *company* to take into consideration the total number of mortgage ~~{agents}~~ *loan originators* associated with or employed by the mortgage ~~{broker}~~ *company* when the mortgage ~~{broker}~~ *company* determines the form and extent of the policies and procedures for those mortgage ~~{agents}~~ *loan originators* and the system to review, oversee and inspect the activities of those mortgage ~~{agents}~~ *loan originators*.

3. The Commissioner may adopt regulations prescribing standards for determining whether a mortgage ~~{broker}~~ *company* has exercised reasonable supervision and control over the activities of a mortgage ~~{agent}~~ *loan originator* pursuant to this section.

Sec. 61. NRS 645B.490 is hereby amended to read as follows:

645B.490 Except as otherwise required by the Registry for persons who are required to register or voluntarily register with the Registry:

1. Any mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan originator* licensed under the provisions of this chapter who is called into the military service of the United States shall, at his or her request, be relieved from compliance with the provisions of this chapter and placed on inactive status for the period of such military service and for a period of 6 months after discharge therefrom.

2. At any time within 6 months after termination of such service, if the mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan originator* complies with the provisions of subsection 1, the mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan originator* may be reinstated, without having to meet any qualification or requirement other than the payment of the reinstatement fee, as provided in NRS 645B.050 or 645B.430, and the mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan originator* is not required to make payment of the renewal fee for the current year.

3. Any mortgage ~~{broker}~~ *company* or mortgage ~~{agent}~~ *loan originator* seeking to qualify for reinstatement, as provided in subsections 1 and 2, must present a certified copy of his or her honorable discharge or certificate of satisfactory service to the Commissioner.

Sec. 62. NRS 645B.620 is hereby amended to read as follows:

645B.620 1. Whether or not a complaint has been filed, the Commissioner ~~{shall}~~ *may* investigate a mortgage ~~{broker}~~,



company, mortgage ~~agent~~ *loan originator* or other person if, for any reason, it appears that:

(a) The mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* is conducting business in an unsafe and injurious manner or in violation of any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(b) The person is offering or providing any of the services of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* or otherwise engaging in, carrying on or holding himself or herself out as engaging in or carrying on the business of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* without being appropriately licensed or exempt from licensing pursuant to the provisions of this chapter; or

(c) The person is violating any other provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner.

2. If, upon investigation, the Commissioner has reasonable cause to believe that the mortgage ~~broker~~ *company*, mortgage ~~agent~~ *loan originator* or other person has engaged in any conduct or committed any violation described in subsection 1:

(a) The Commissioner shall notify the Attorney General of the conduct or violation and, if applicable, the Commissioner shall immediately take possession of the property of the mortgage ~~broker~~ *company* pursuant to NRS 645B.630; and

(b) The Attorney General shall, if appropriate:

(1) Investigate and prosecute the mortgage ~~broker~~ *company*, mortgage ~~agent~~ *loan originator* or other person pursuant to NRS 645B.800; and

(2) Bring a civil action to:

(I) Enjoin the mortgage ~~broker~~ *company*, mortgage ~~agent~~ *loan originator* or other person from engaging in the conduct, operating the business or committing the violation; and

(II) Enjoin any other person who has encouraged, facilitated, aided or participated in the conduct, the operation of the business or the commission of the violation, or who is likely to engage in such acts, from engaging in or continuing to engage in such acts.

3. If the Attorney General brings a civil action pursuant to subsection 2, the district court of any county of this State is hereby vested with the jurisdiction in equity to enjoin the conduct, the operation of the business or the commission of the violation and may grant any injunctions that are necessary to prevent and restrain the conduct, the operation of the business or the commission of the



violation. During the pendency of the proceedings before the district court:

(a) The court may issue any temporary restraining orders as may appear to be just and proper;

(b) The findings of the Commissioner shall be deemed to be prima facie evidence and sufficient grounds, in the discretion of the court, for the ex parte issuance of a temporary restraining order; and

(c) The Attorney General may apply for and on due showing is entitled to have issued the court's subpoena requiring forthwith the appearance of any person to:

(1) Produce any documents, books and records as may appear necessary for the hearing of the petition; and

(2) Testify and give evidence concerning the conduct complained of in the petition.

Sec. 63. NRS 645B.630 is hereby amended to read as follows:

645B.630 1. In addition to any other action that is required or permitted pursuant to this chapter, if the Commissioner has reasonable cause to believe that:

(a) The assets or capital of a mortgage ~~broker~~ company are impaired; or

(b) A mortgage ~~broker~~ company is conducting business in an unsafe and injurious manner that may result in danger to the public, ~~the Commissioner shall~~ may immediately take possession of all the property, business and assets of the mortgage ~~broker~~ company that are located in this State and shall retain possession of them pending further proceedings provided for in this chapter.

2. If the licensee, the board of directors or any officer or person in charge of the offices of the mortgage ~~broker~~ company refuses to permit the Commissioner to take possession of the property of the mortgage ~~broker~~ company pursuant to subsection 1:

(a) The Commissioner shall notify the Attorney General; and

(b) The Attorney General shall immediately bring such proceedings as may be necessary to place the Commissioner in immediate possession of the property of the mortgage ~~broker~~ company.

3. If the Commissioner takes possession of the property of the mortgage ~~broker~~ company, the Commissioner shall:

(a) Make or have made an inventory of the assets and known liabilities of the mortgage ~~broker~~ company;

(b) File one copy of the inventory in the office of the Commissioner and one copy in the office of the clerk of the district court of the county in which the principal office of the mortgage ~~broker~~ company is located and shall mail one copy to each



stockholder, partner, officer, director or associate of the mortgage ~~broker~~ company at his or her last known address; and

(c) If the mortgage ~~broker~~ company maintains any accounts described in NRS 645B.175, not later than 5 business days after the date on which the Commissioner takes possession of the property of the mortgage ~~broker~~ company, mail notice of the possession to the last known address of each person whose money is deposited in such an account or whose money was or should have been deposited in such an account during the preceding 12 months.

4. The clerk of the court with which the copy of the inventory is filed shall file it as any other case or proceeding pending in the court and shall give it a docket number.

Sec. 64. NRS 645B.640 is hereby amended to read as follows:

645B.640 1. If the Commissioner takes possession of the property of a mortgage ~~broker~~ company pursuant to NRS 645B.630, the licensee, officers, directors, partners, associates or stockholders of the mortgage ~~broker~~ company may, within 60 days after the date on which the Commissioner takes possession of the property, make good any deficit in the assets or capital of the mortgage ~~broker~~ company or remedy any unsafe and injurious conditions or practices of the mortgage ~~broker~~ company.

2. At the expiration of the 60-day period, if the deficiency in assets or capital has not been made good or the unsafe and injurious conditions or practices remedied, the Commissioner may apply to the court to be appointed receiver and proceed to liquidate the assets of the mortgage ~~broker~~ company which are located in this State in the same manner as now provided by law for liquidation of a private corporation in receivership.

3. No other person may be appointed receiver by any court without first giving the Commissioner ample notice of his or her application.

4. The inventory made by the Commissioner and all claims filed by creditors are open at all reasonable times for inspection, and any action taken by the receiver upon any of the claims is subject to the approval of the court before which the cause is pending.

5. The expenses of the receiver and compensation of counsel, as well as all expenditures required in the liquidation proceedings, must be fixed by the Commissioner subject to the approval of the court and, upon certification of the Commissioner, must be paid out of the money in his or her hands as the receiver.

Sec. 65. NRS 645B.670 is hereby amended to read as follows:

645B.670 1. Except as otherwise provided in NRS 645B.690:



(a) For each violation committed by an applicant for a license issued pursuant to this chapter, whether or not the applicant is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than \$25,000 if the applicant:

(1) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(2) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by the applicant, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or

(3) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his or her application for a license or during the course of the investigation of his or her application for a license.

(b) For each violation committed by a mortgage ~~broker~~ company, the Commissioner may impose upon the mortgage ~~broker~~ company an administrative fine of not more than \$25,000, may suspend, revoke or place conditions upon the mortgage ~~broker's~~ company's license, or may do both, if the mortgage ~~broker~~ company, whether or not acting as such:

(1) Is insolvent;

(2) Is grossly negligent or incompetent in performing any act for which the mortgage ~~broker~~ company is required to be licensed pursuant to the provisions of this chapter;

(3) Does not conduct his or her business in accordance with law or has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(4) Is in such financial condition that the mortgage ~~broker~~ company cannot continue in business with safety to his or her customers;

(5) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(6) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the mortgage ~~broker~~ company knew or, by the exercise of reasonable diligence, should have known;

(7) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage ~~broker~~ company possesses and which, if submitted by the mortgage ~~broker~~ company, would have rendered



the mortgage ~~broker~~ *company* ineligible to be licensed pursuant to the provisions of this chapter;

(8) Has failed to account to persons interested for all money received for a trust account;

(9) Has refused to permit an examination by the Commissioner of his or her books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter or a regulation adopted pursuant to this chapter;

(10) Has been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering;

(11) Has refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses that the mortgage ~~broker~~ *company* is required to pay pursuant to this chapter or a regulation adopted pursuant to this chapter;

(12) Has failed to satisfy a claim made by a client which has been reduced to judgment;

(13) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(14) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use;

(15) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(16) Has repeatedly violated the policies and procedures of the mortgage ~~broker~~ *company*;

(17) Has failed to exercise reasonable supervision and control over the activities of a mortgage ~~agent~~ *loan originator* as required by NRS 645B.460;

(18) Has instructed a mortgage ~~agent~~ *loan originator* to commit an act that would be cause for the revocation of the license of the mortgage ~~broker~~ *company*, whether or not the mortgage ~~agent~~ *loan originator* commits the act;

(19) Has employed a person as a mortgage ~~agent~~ *loan originator* or authorized a person to be associated with the mortgage ~~broker~~ *company* as a mortgage ~~agent~~ *loan originator* at a time when the mortgage ~~broker~~ *company* knew or, in light of all the



surrounding facts and circumstances, reasonably should have known that the person:

(I) Had been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering; or

(II) Had a license or registration as a mortgage agent, mortgage banker, mortgage broker, *mortgage company*, *mortgage loan originator* or residential mortgage loan originator revoked in this State or any other jurisdiction or had a financial services license or registration revoked within the immediately preceding 10 years;

(20) Has violated NRS 645C.557;

(21) Has failed to pay a tax as required pursuant to the provisions of chapter 363A or 363C of NRS; or

(22) Has, directly or indirectly, paid any commission, fees, points or any other compensation as remuneration for the services of a mortgage ~~agent~~ *loan originator* to a person other than a mortgage ~~agent~~ *loan originator* who:

(I) Is an employee of or associated with the mortgage ~~broker;~~ *company*; or

(II) If the mortgage ~~agent~~ *loan originator* is required to register with the Registry, is an employee of and whose sponsorship has been entered with the Registry by the mortgage ~~broker~~ *company* as required by subsection 2 of NRS 645B.450.

(c) For each violation committed by a mortgage ~~agent;~~ *loan originator*, the Commissioner may impose upon the mortgage ~~agent~~ *loan originator* an administrative fine of not more than \$25,000, may suspend, revoke or place conditions upon the mortgage ~~agent's~~ *loan originator's* license, or may do both, if the mortgage ~~agent;~~ *loan originator*, whether or not acting as such:

(1) Is grossly negligent or incompetent in performing any act for which the mortgage ~~agent~~ *loan originator* is required to be licensed pursuant to the provisions of this chapter;

(2) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(3) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the mortgage ~~agent~~ *loan originator* knew or, by the exercise of reasonable diligence, should have known;



(4) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage ~~agent~~ *loan originator* possesses and which, if submitted by the mortgage ~~agent~~ *loan originator*, would have rendered the mortgage ~~agent~~ *loan originator* ineligible to be licensed pursuant to the provisions of this chapter;

(5) Has been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering;

(6) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(7) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use;

(8) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(9) Has violated NRS 645C.557;

(10) Has repeatedly violated the policies and procedures of the mortgage ~~broker~~ *company* with whom the mortgage ~~agent~~ *loan originator* is associated or by whom he or she is employed;

(11) Has, directly or indirectly, received any commission, fees, points or any other compensation as remuneration for his or her services as a mortgage ~~agent~~ *loan originator*:

(I) From a person other than the mortgage ~~broker~~ *company* with whom the mortgage ~~agent~~ *loan originator* is associated or by whom he or she is employed; or

(II) If the mortgage ~~agent~~ *loan originator* is required to be registered with the Registry, from a person other than the mortgage ~~broker~~ *company* by whom the mortgage ~~agent~~ *loan originator* is employed and on whose behalf sponsorship was entered as required by subsection 2 of NRS 645B.450; or

(12) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner or has assisted or offered to assist another person to commit such a violation.

2. This section does not prohibit the co-brokering of a commercial loan through the cooperation of two or more mortgage



~~brokers~~ **companies** so long as such a transaction is not inconsistent with any other provision of this chapter.

3. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 66. (Deleted by amendment.)

Sec. 67. NRS 645B.680 is hereby amended to read as follows:

645B.680 1. If the Commissioner receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a license as a mortgage ~~broker~~ **company** or mortgage ~~agent~~ **loan originator**, the Commissioner shall deem the license issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Commissioner receives a letter issued to the holder of the license by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the license has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The Commissioner shall reinstate a license as a mortgage ~~broker~~ **company** or mortgage ~~agent~~ **loan originator** that has been suspended by a district court pursuant to NRS 425.540 if the Commissioner receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose license was suspended stating that the person whose license was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 68. NRS 645B.690 is hereby amended to read as follows:

645B.690 1. If a person offers or provides any of the services of a mortgage ~~broker~~ **company** or mortgage ~~agent~~ **loan originator** or otherwise engages in, carries on or holds himself or herself out as engaging in or carrying on the business of a mortgage ~~broker~~ **company** or mortgage ~~agent~~ **loan originator** and, at the time:

(a) The person was required to have a license pursuant to this chapter and the person did not have such a license;

(b) The person was required to be registered with the Registry and the person was not so registered; or

(c) The person's license was suspended or revoked pursuant to this chapter,

↳ the Commissioner ~~shall~~ **may** impose upon the person an administrative fine of not more than \$50,000 for each violation and, if the person has a license, the Commissioner may suspend or revoke it.



2. If a mortgage ~~broker~~ company violates any provision of subsection 1 of NRS 645B.080 and the mortgage ~~broker~~ company fails, without reasonable cause, to remedy the violation within 20 business days after being ordered by the Commissioner to do so or within such later time as prescribed by the Commissioner, or if the Commissioner orders a mortgage ~~broker~~ company to provide information, make a report or permit an examination of his or her books or affairs pursuant to this chapter and the mortgage ~~broker~~ company fails, without reasonable cause, to comply with the order within 20 business days or within such later time as prescribed by the Commissioner, the Commissioner ~~shall~~ may:

(a) Impose upon the mortgage ~~broker~~ company an administrative fine of not more than \$25,000 for each violation;

(b) Suspend or revoke the license of the mortgage ~~broker~~ company; and

(c) Conduct a hearing to determine whether the mortgage ~~broker~~ company is conducting business in an unsafe and injurious manner that may result in danger to the public and whether it is necessary for the Commissioner to take possession of the property of the mortgage ~~broker~~ company pursuant to NRS 645B.630.

3. If a mortgage ~~broker~~ company:

(a) Makes or offers for sale in this State any investments in promissory notes secured by liens on real property; and

(b) Receives the lowest possible rating on two consecutive annual or biennial examinations pursuant to NRS 645B.060,

↳ the Commissioner ~~shall~~ may suspend or revoke the license of the mortgage ~~broker~~ company.

Sec. 68.5. NRS 645B.710 is hereby amended to read as follows:

645B.710 If a person is a partnership, corporation or unincorporated association, the Commissioner ~~shall~~ may take any disciplinary action required pursuant to NRS 645B.690 and may take any other disciplinary action set forth in this chapter against the person if any member of the partnership or any officer or director of the corporation or unincorporated association has committed any act or omission that would be cause for taking such disciplinary action against a natural person.

Sec. 69. NRS 645B.740 is hereby amended to read as follows:

645B.740 The expiration or revocation of a license of a mortgage ~~broker~~ company or mortgage ~~agent~~ loan originator by operation of law or by order or decision of the Commissioner or a court of competent jurisdiction, or the voluntary surrender of a license, does not:



1. Prohibit the Commissioner from initiating or continuing an investigation of, or action or disciplinary proceeding against, the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* as authorized pursuant to the provisions of this chapter or the regulations adopted pursuant thereto; or

2. Prevent the imposition or collection of any fine or penalty authorized pursuant to the provisions of this chapter or the regulations adopted pursuant thereto against the mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator*.

Sec. 70. NRS 645B.900 is hereby amended to read as follows:

645B.900 It is unlawful for any person to offer or provide any of the services of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* or otherwise to engage in, carry on or hold himself or herself out as engaging in or carrying on the business of a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* without first obtaining the applicable license issued pursuant to this chapter, unless the person:

1. Is exempt from the provisions of this chapter; and
2. Complies with the requirements for that exemption.

Sec. 71. NRS 645B.910 is hereby amended to read as follows:

645B.910 It is unlawful for any foreign corporation, association or business trust to conduct any business as a mortgage ~~broker~~ *company* within this State, unless it:

1. Qualifies under chapter 80 of NRS; and
2. Complies with the provisions of this chapter or, if it claims an exemption from the provisions of this chapter, complies with the requirements for that exemption.

Sec. 72. NRS 645B.930 is hereby amended to read as follows:

645B.930 In addition to any other remedy or penalty, if a person, *or any general partner, director, officer, agent or employee of a person*, violates the provisions of NRS 645B.900 or 645B.910, the client may bring a civil action against the person for:

1. Actual and consequential damages;
2. Punitive damages, which are subject to the provisions of NRS 42.005;
3. Reasonable attorney's fees and costs; and
4. Any other legal or equitable relief that the court deems appropriate.

Sec. 73. NRS 645B.955 is hereby amended to read as follows:

645B.955 1. A person who engages in an activity for which a license as a mortgage ~~broker~~ *company* or mortgage ~~agent~~ *loan originator* is required pursuant to this chapter, without regard to whether such a person is licensed pursuant to this chapter, may be



required by the Commissioner to pay restitution to any person who has suffered an economic loss as a result of a violation of the provisions of this chapter or any regulation adopted pursuant thereto.

2. Notwithstanding the provision of paragraph (m) of subsection 1 of NRS 622A.120, payment of restitution pursuant to subsection 1 shall be done in a manner consistent with the provisions of chapter 622A of NRS.

Sec. 74. NRS 645F.060 is hereby amended to read as follows:

645F.060 “Mortgage ~~broker~~ **company**” has the meaning ascribed to it in NRS 645B.0127.

Sec. 75. NRS 645F.160 is hereby amended to read as follows:

645F.160 The Commissioner shall not, either directly or indirectly, be interested in any mortgage servicer, escrow agency ~~or~~ mortgage ~~broker or mortgage banker~~ **company** to which this chapter and chapters 645A ~~and~~ 645B ~~and 645E~~ of NRS apply, nor engage in business as a personal loan broker.

Sec. 76. NRS 645F.180 is hereby amended to read as follows:

645F.180 1. The Commissioner may appoint deputy commissioners of mortgage lending, examiners, assistants, clerks, stenographers and other employees necessary to assist the Commissioner in the performance of his or her duties pursuant to this chapter, chapters 645A ~~and~~ 645B ~~and 645E~~ of NRS or any other law. These employees shall perform such duties as are assigned to them by the Commissioner.

2. The Commissioner may employ or contract with a certified public accountant to review and conduct independent audits and examinations of escrow agencies, mortgage ~~brokers,~~ **companies** **and** mortgage servicers . ~~and mortgage bankers.~~ The Commissioner shall levy an assessment upon each licensed escrow agency, mortgage ~~broker,~~ **company and** mortgage servicer ~~and mortgage banker~~ to cover all the costs related to the employment of or the contract with the certified public accountant and the performance of the audits and examinations.

3. Assessments collected by the Commissioner pursuant to subsection 2 must be deposited in the State Treasury for deposit to the Account for Mortgage Lending created by NRS 645F.270 and accounted for separately. The Commissioner shall use the money for the purposes specified in subsection 2.

Sec. 77. NRS 645F.250 is hereby amended to read as follows:

645F.250 The Commissioner and the Division shall administer the provisions of this chapter and chapters 645A ~~and~~ 645B ~~and~~



~~645E~~ of NRS, subject to administrative supervision by the Director of the Department of Business and Industry.

Sec. 78. NRS 645F.260 is hereby amended to read as follows:

645F.260 The State Board of Finance shall act in an advisory capacity to the Division in the administration of this chapter and chapters 645A ~~{}~~ and 645B ~~{and 645E}~~ of NRS.

Sec. 79. NRS 645F.267 is hereby amended to read as follows:

645F.267 1. A mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker, mortgage broker}~~ *company* or mortgage servicer or an employee of a mortgage ~~{banker, mortgage broker}~~ *company* or mortgage servicer is not required to register or renew with the Registry, or provide reports of financial condition to the Registry, if the mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker, mortgage broker}~~ *company* or mortgage servicer or employee:

(a) Is not a residential mortgage loan originator or the supervisor of a residential mortgage loan originator; and

(b) Is not required to register pursuant to the provisions of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

2. A mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker, mortgage broker}~~ *company* or mortgage servicer or an employee of a mortgage ~~{banker, mortgage broker}~~ *company* or mortgage servicer who, pursuant to subsection 1, is not required to register or renew with the Registry and who voluntarily registers or renews with the Registry shall comply with all requirements of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008, and any regulations adopted pursuant thereto.

3. As used in this section, "residential mortgage loan originator" has the meaning ascribed to it in NRS 645B.01325.

Sec. 80. NRS 645F.275 is hereby amended to read as follows:

645F.275 The Commissioner shall adopt regulations:

1. Establishing minimum net worth or surety bonding requirements that reflect the dollar amount of loans originated by a residential mortgage loan originator, as defined in NRS 645B.01325; or

2. Requiring a percentage of the fees collected for the issuance or renewal of a license pursuant to chapter 645B ~~{or 645E}~~ of NRS to be deposited in a mortgage recovery fund, and setting forth the methods by which a person may make a claim against and be paid from the fund.



Sec. 81. NRS 645F.293 is hereby amended to read as follows:

645F.293 1. The Commissioner shall adopt regulations to carry out the provisions of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

2. The regulations must include, without limitation:

(a) A method by which to allow for reporting regularly violations of the relevant provisions of chapter 645B ~~{or 645E}~~ of NRS, enforcement actions and other relevant information to the Registry; and

(b) A process whereby a person may challenge information reported to the Registry by the Commissioner.

3. The regulations must not require a mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker, mortgage broker}~~ *company* or mortgage servicer or an employee of a mortgage ~~{banker, mortgage broker}~~ *company* or mortgage servicer to register with the Registry if the mortgage ~~{agent,}~~ *loan originator*, mortgage ~~{banker, mortgage broker,}~~ *company*, mortgage servicer or employee is exempt from registration pursuant to subsection 1 of NRS 645F.267.

Sec. 81.5. NRS 645F.296 is hereby amended to read as follows:

645F.296 1. Any person authorized to engage in activities as a residential mortgage loan originator on behalf of an installment loan lender licensed under chapter 675 of NRS shall obtain and maintain a license as a mortgage ~~{agent,}~~ *loan originator*.

2. As used in this section:

(a) "Mortgage ~~{agent,}~~ *loan originator*" has the meaning ascribed to in NRS 645B.0125; and

(b) "Residential mortgage loan originator" has the meaning ascribed to it in NRS 645B.01325.

Sec. 82. NRS 645F.500 is hereby amended to read as follows:

645F.500 The provisions of NRS 645F.500 to 645F.540, inclusive, do not apply to:

1. A depository financial institution, as that term is defined in NRS ~~{645E.060,}~~ *645B.0109*, or any subsidiary or holding company of a depository financial institution if such entity maintains its principal place of business or a branch office in this State.

2. A real estate investment trust, as that term is defined in 26 U.S.C. § 856(a), unless the business conducted by the trust in this State is not subject to supervision by the appropriate regulatory body of a jurisdiction outside of this State.

3. Any trustee of an employee benefit plan, as that term is defined in 29 U.S.C. § 1002(3), who makes a residential mortgage loan directly from money in the plan.



4. An attorney who is licensed in this State and who does not engage in the business of, or otherwise hold himself or herself out as being able to provide services related to, a mortgage servicer, if the activities of the attorney are directly incidental to the representation of a client.

5. A person performing any act pursuant to a court order.

6. A federal or state agency or a political subdivision of this State, including, without limitation, the Public Employees' Retirement System.

7. A nonprofit organization that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

8. A mortgage servicer that, in the aggregate with any affiliates, services not more than 10 residential mortgage loans in this State during a calendar year.

9. A person licensed pursuant to the provisions of chapter 645B ~~§ 645E~~ or 675 of NRS who is collecting payments on a mortgage loan or servicing one or more mortgage loans made or arranged by the person under his or her license.

Sec. 83. NRS 645H.040 is hereby amended to read as follows:

645H.040 "Asset management company" means a person, limited-liability company, partnership, association or corporation which, for compensation and pursuant to a contractual agreement, power of attorney or other legal authorization, engages in asset management on behalf of:

1. A bank, mortgage ~~broker, mortgage banker,~~ *company*, mortgage servicer as that term is defined in NRS 645F.063, credit union, thrift company or savings and loan association, or any subsidiary thereof which is authorized to transact business in this State;

2. A mortgage holding entity chartered by Congress; or

3. A federal, state or local governmental entity.

Sec. 84. NRS 645H.060 is hereby amended to read as follows:

645H.060 "Client" means:

1. A bank, mortgage ~~broker, mortgage banker,~~ *company*, mortgage servicer as that term is defined in NRS 645F.063, credit union, thrift company or savings and loan association, or any subsidiary thereof that is authorized to transact business in this State;

2. A mortgage holding entity chartered by Congress; or

3. A federal, state or local governmental entity,

↳ for whom an asset management company provides asset management.



Sec. 85. NRS 645H.110 is hereby amended to read as follows:
645H.110 “Mortgage ~~broker~~²⁷ *company*” has the meaning ascribed to it in NRS 645B.0127.

Sec. 86. NRS 645H.160 is hereby amended to read as follows:
645H.160 1. The provisions of this chapter which require a certificate of registration or permit do not apply to a person or broker who has a current permit to engage in property management pursuant to chapter 645 of NRS.

2. A person or broker who has a permit to engage in property management pursuant to chapter 645 of NRS may engage in the business of asset management if the provision of asset management services is included in the property management agreement entered into pursuant to NRS 645.6056.

3. Except as otherwise provided in subsection 1, a person or broker who engages in the business of asset management must comply with the provisions of this chapter and the recordkeeping requirements of chapter 645 of NRS.

4. The provisions of this chapter do not apply to:

(a) A person who is a regular, full-time employee of a bank, mortgage ~~broker, mortgage banker,~~ *company*, mortgage servicer as that term is defined in NRS 645F.063, credit union, thrift company or savings and loan association, or any subsidiary thereof.

(b) A person who takes possession of property from a defendant in connection with a judicial proceeding for eminent domain brought pursuant to chapter 37 of NRS.

Sec. 87. NRS 40.750 is hereby amended to read as follows:

40.750 1. As used in this section, “financial institution” means a bank, mortgage ~~broker, mortgage banker,~~ *company*, mortgage servicer as that term is defined in NRS 645F.063, credit union, thrift company or savings and loan association, or any subsidiary or affiliate of a bank, mortgage ~~broker, mortgage banker,~~ *company*, mortgage servicer, credit union, thrift company or savings and loan association, which is authorized to transact business in this State and which makes or acquires, in whole or in part, any loan of the kind described in subsection 2.

2. Except as otherwise provided in subsection 5, a person who, for the purpose of obtaining a loan secured by a lien on real property, knowingly conceals a material fact, or makes a false statement concerning a material fact knowing that the statement is false, is liable to any financial institution or other lender which relied upon the absence of that concealed fact or on that false statement for any damages it sustains because of the fraud.



3. In addition to its actual damages, a financial institution or other lender may recover exemplary or punitive damages in an amount not to exceed 50 percent of the actual damages awarded.

4. The cause of action provided by this section:

(a) Is not, for the purposes of NRS 40.430, an action for the recovery of any debt or an action for the enforcement of any right secured by mortgage or lien upon real estate.

(b) Is in addition to and not in substitution for any right of foreclosure existing in favor of the financial institution or other lender. Any recovery pursuant to this section does not limit the amount of a judgment awarded pursuant to NRS 40.459, but the financial institution or other lender is not entitled to recover actual damages more than once for the same loss.

5. The provisions of this section do not apply to any loan which is secured by a lien on real property used for residential purposes if:

(a) The residence is a single-family dwelling occupied by the person obtaining the loan, as represented by the person in connection with the person's application for the loan; and

(b) The loan is for the principal amount of \$150,000 or less.

Sec. 88. NRS 80.015 is hereby amended to read as follows:

80.015 1. For the purposes of this chapter, the following activities do not constitute doing business in this State:

(a) Maintaining, defending or settling any proceeding;

(b) Holding meetings of the board of directors or stockholders or carrying on other activities concerning internal corporate affairs;

(c) Maintaining accounts in banks or credit unions;

(d) Maintaining offices or agencies for the transfer, exchange and registration of the corporation's own securities or maintaining trustees or depositaries with respect to those securities;

(e) Making sales through independent contractors;

(f) Soliciting or receiving orders outside of this State through or in response to letters, circulars, catalogs or other forms of advertising, accepting those orders outside of this State and filling them by shipping goods into this State;

(g) Creating or acquiring indebtedness, mortgages and security interests in real or personal property;

(h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;

(i) Owning, without more, real or personal property;

(j) Isolated transactions completed within 30 days and not a part of a series of similar transactions;



(k) The production of motion pictures as defined in NRS 231.020;

(l) Transacting business as an out-of-state depository institution pursuant to the provisions of title 55 of NRS; and

(m) Transacting business in interstate commerce.

2. The list of activities in subsection 1 is not exhaustive.

3. A person who is not doing business in this State within the meaning of this section need not qualify or comply with any provision of this chapter, chapter 645A ~~††~~ or 645B ~~† or 645E†~~ of NRS or title 55 or 56 of NRS unless the person:

(a) Maintains an office in this State for the transaction of business;

(b) Solicits or accepts deposits in the State, except pursuant to the provisions of chapter 666 or 666A of NRS;

(c) Solicits business for the activities of a mortgage ~~†broker†~~ *company* as defined ~~†by†~~ *in* NRS 645B.0127 ; ~~†for the activities of a mortgage banker as defined by NRS 645E.100;†~~ or

(d) Arranges a mortgage loan secured by real property which is not commercial property ~~†as defined by NRS 645E.040.†~~ *as defined in section 2.4 of this act.*

4. The fact that a person is not doing business in this State within the meaning of this section:

(a) Does not affect the determination of whether any court, administrative agency or regulatory body in this State may exercise personal jurisdiction over the person in any civil action, criminal action, administrative proceeding or regulatory proceeding; and

(b) Except as otherwise provided in subsection 3, does not affect the applicability of any other provision of law with respect to the person and may not be offered as a defense or introduced in evidence in any civil action, criminal action, administrative proceeding or regulatory proceeding to prove that the person is not doing business in this State, including, without limitation, any civil action, criminal action, administrative proceeding or regulatory proceeding involving an alleged violation of chapter 597, 598 or 598A of NRS.

5. As used in this section and for the purposes of NRS 80.016, “deposits” means demand deposits, savings deposits and time deposits, as those terms are defined in chapter 657 of NRS.

Sec. 88.5. NRS 86.5483 is hereby amended to read as follows:

86.5483 1. For the purposes of NRS 86.543 to 86.549, inclusive, the following activities do not constitute transacting business in this State:



- (a) Maintaining, defending or settling any proceeding;
 - (b) Holding meetings of the managers or members or carrying on other activities concerning internal company affairs;
 - (c) Maintaining accounts in banks or credit unions;
 - (d) Maintaining offices or agencies for the transfer, exchange and registration of the company's own securities or maintaining trustees or depositories with respect to those securities;
 - (e) Making sales through independent contractors;
 - (f) Soliciting or receiving orders outside this State through or in response to letters, circulars, catalogs or other forms of advertising, accepting those orders outside this State and filling them by shipping goods into this State;
 - (g) Creating or acquiring indebtedness, mortgages and security interests in real or personal property;
 - (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;
 - (i) Owning, without more, real or personal property;
 - (j) Isolated transactions completed within 30 days and not a part of a series of similar transactions;
 - (k) The production of motion pictures as defined in NRS 231.020;
 - (l) Transacting business as an out-of-state depository institution pursuant to the provisions of title 55 of NRS; and
 - (m) Transacting business in interstate commerce.
2. The list of activities in subsection 1 is not exhaustive.
3. A person who is not transacting business in this State within the meaning of this section need not qualify or comply with any provision of this chapter, title 55 or 56 of NRS or chapter 645A, 645B or 645E of NRS unless the person:
- (a) Maintains an office in this State for the transaction of business; ~~or~~
 - (b) Solicits or accepts deposits in the State, except pursuant to the provisions of chapter 666 or 666A of NRS ~~or~~;
 - (c) *Solicits business for the activities of a mortgage broker as defined in NRS 645B.0127 or the activities of a mortgage banker as defined in NRS 645E.100; or*
 - (d) *Arranges a mortgage loan secured by real property that is not commercial property as defined in NRS 645E.040.*
4. The fact that a person is not transacting business in this State within the meaning of this section:
- (a) Does not affect the determination of whether any court, administrative agency or regulatory body in this State may exercise



personal jurisdiction over the person in any civil action, criminal action, administrative proceeding or regulatory proceeding; and

(b) Except as otherwise provided in subsection 3, does not affect the applicability of any other provision of law with respect to the person and may not be offered as a defense or introduced in evidence in any civil action, criminal action, administrative proceeding or regulatory proceeding to prove that the person is not transacting business in this State, including, without limitation, any civil action, criminal action, administrative proceeding or regulatory proceeding involving an alleged violation of chapter 597, 598 or 598A of NRS.

5. As used in this section, "deposits" means demand deposits, savings deposits and time deposits, as those terms are defined in chapter 657 of NRS.

Sec. 89. NRS 86.5483 is hereby amended to read as follows:

86.5483 1. For the purposes of NRS 86.543 to 86.549, inclusive, the following activities do not constitute transacting business in this State:

- (a) Maintaining, defending or settling any proceeding;
 - (b) Holding meetings of the managers or members or carrying on other activities concerning internal company affairs;
 - (c) Maintaining accounts in banks or credit unions;
 - (d) Maintaining offices or agencies for the transfer, exchange and registration of the company's own securities or maintaining trustees or depositories with respect to those securities;
 - (e) Making sales through independent contractors;
 - (f) Soliciting or receiving orders outside this State through or in response to letters, circulars, catalogs or other forms of advertising, accepting those orders outside this State and filling them by shipping goods into this State;
 - (g) Creating or acquiring indebtedness, mortgages and security interests in real or personal property;
 - (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;
 - (i) Owning, without more, real or personal property;
 - (j) Isolated transactions completed within 30 days and not a part of a series of similar transactions;
 - (k) The production of motion pictures as defined in NRS 231.020;
 - (l) Transacting business as an out-of-state depository institution pursuant to the provisions of title 55 of NRS; and
 - (m) Transacting business in interstate commerce.
2. The list of activities in subsection 1 is not exhaustive.



3. A person who is not transacting business in this State within the meaning of this section need not qualify or comply with any provision of this chapter, title 55 or 56 of NRS or chapter 645A ~~†~~ or 645B ~~†~~ ~~for 645E†~~ of NRS unless the person:

(a) Maintains an office in this State for the transaction of business;

(b) Solicits or accepts deposits in the State, except pursuant to the provisions of chapter 666 or 666A of NRS;

(c) Solicits business for the activities of a mortgage ~~broker†~~ *company* as defined in NRS 645B.0127 ; ~~for the activities of a mortgage banker as defined in NRS 645E.100.†~~ or

(d) Arranges a mortgage loan secured by real property that is not commercial property as defined in ~~NRS 645E.040.†~~ *section 2.3 of this act.*

4. The fact that a person is not transacting business in this State within the meaning of this section:

(a) Does not affect the determination of whether any court, administrative agency or regulatory body in this State may exercise personal jurisdiction over the person in any civil action, criminal action, administrative proceeding or regulatory proceeding; and

(b) Except as otherwise provided in subsection 3, does not affect the applicability of any other provision of law with respect to the person and may not be offered as a defense or introduced in evidence in any civil action, criminal action, administrative proceeding or regulatory proceeding to prove that the person is not transacting business in this State, including, without limitation, any civil action, criminal action, administrative proceeding or regulatory proceeding involving an alleged violation of chapter 597, 598 or 598A of NRS.

5. As used in this section, “deposits” means demand deposits, savings deposits and time deposits, as those terms are defined in chapter 657 of NRS.

Sec. 90. NRS 87A.615 is hereby amended to read as follows:

87A.615 1. For the purposes of NRS 87A.535 to 87A.625, inclusive, the following activities do not constitute transacting business in this State:

(a) Maintaining, defending or settling any proceeding;

(b) Holding meetings of the managers or members or carrying on other activities concerning internal company affairs;

(c) Maintaining accounts in banks or credit unions;

(d) Maintaining offices or agencies for the transfer, exchange and registration of the company’s own securities or maintaining trustees or depositaries with respect to those securities;



- (e) Making sales through independent contractors;
 - (f) Soliciting or receiving orders outside this State through or in response to letters, circulars, catalogs or other forms of advertising, accepting those orders outside this State and filling them by shipping goods into this State;
 - (g) Creating or acquiring indebtedness, mortgages and security interests in real or personal property;
 - (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;
 - (i) Owning, without more, real or personal property;
 - (j) Isolated transactions completed within 30 days and not a part of a series of similar transactions;
 - (k) The production of motion pictures as defined in NRS 231.020;
 - (l) Transacting business as an out-of-state depository institution pursuant to the provisions of title 55 of NRS; and
 - (m) Transacting business in interstate commerce.
2. The list of activities in subsection 1 is not exhaustive.
3. A person who is not transacting business in this State within the meaning of this section need not qualify or comply with any provision of this chapter, title 55 or 56 of NRS or chapter 645A ~~+~~ or 645B ~~for 645E~~ of NRS unless the person:
- (a) Maintains an office in this State for the transaction of business; or
 - (b) Solicits or accepts deposits in the State, except pursuant to the provisions of chapter 666 or 666A of NRS.
4. The fact that a person is not transacting business in this State within the meaning of this section:
- (a) Does not affect the determination of whether any court, administrative agency or regulatory body in this State may exercise personal jurisdiction over the person in any civil action, criminal action, administrative proceeding or regulatory proceeding; and
 - (b) Except as otherwise provided in subsection 3, does not affect the applicability of any other provision of law with respect to the person and may not be offered as a defense or introduced in evidence in any civil action, criminal action, administrative proceeding or regulatory proceeding to prove that the person is not transacting business in this State, including, without limitation, any civil action, criminal action, administrative proceeding or regulatory proceeding involving an alleged violation of chapter 597, 598 or 598A of NRS.



5. As used in this section, “deposits” means demand deposits, savings deposits and time deposits, as those terms are defined in chapter 657 of NRS.

Sec. 91. NRS 88.602 is hereby amended to read as follows:

88.602 1. For the purposes of NRS 88.570 to 88.605, inclusive, the following activities do not constitute transacting business in this State:

- (a) Maintaining, defending or settling any proceeding;
- (b) Holding meetings of the managers or members or carrying on other activities concerning internal company affairs;
- (c) Maintaining accounts in banks or credit unions;
- (d) Maintaining offices or agencies for the transfer, exchange and registration of the company’s own securities or maintaining trustees or depositories with respect to those securities;
- (e) Making sales through independent contractors;
- (f) Soliciting or receiving orders outside this State through or in response to letters, circulars, catalogs or other forms of advertising, accepting those orders outside this State and filling them by shipping goods into this State;
- (g) Creating or acquiring indebtedness, mortgages and security interests in real or personal property;
- (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;
- (i) Owning, without more, real or personal property;
- (j) Isolated transactions completed within 30 days and not a part of a series of similar transactions;
- (k) The production of motion pictures as defined in NRS 231.020;
- (l) Transacting business as an out-of-state depository institution pursuant to the provisions of title 55 of NRS; and
- (m) Transacting business in interstate commerce.

2. The list of activities in subsection 1 is not exhaustive.

3. A person who is not transacting business in this State within the meaning of this section need not qualify or comply with any provision of this chapter, title 55 or 56 of NRS or chapter 645A ~~†~~ or 645B ~~† or 645E†~~ of NRS unless the person:

(a) Maintains an office in this State for the transaction of business; or

(b) Solicits or accepts deposits in the State, except pursuant to the provisions of chapter 666 or 666A of NRS.

4. The fact that a person is not transacting business in this State within the meaning of this section:



(a) Does not affect the determination of whether any court, administrative agency or regulatory body in this State may exercise personal jurisdiction over the person in any civil action, criminal action, administrative proceeding or regulatory proceeding; and

(b) Except as otherwise provided in subsection 3, does not affect the applicability of any other provision of law with respect to the person and may not be offered as a defense or introduced in evidence in any civil action, criminal action, administrative proceeding or regulatory proceeding to prove that the person is not transacting business in this State, including, without limitation, any civil action, criminal action, administrative proceeding or regulatory proceeding involving an alleged violation of chapter 597, 598 or 598A of NRS.

5. As used in this section, “deposits” means demand deposits, savings deposits and time deposits, as those terms are defined in chapter 657 of NRS.

Sec. 92. NRS 90.530 is hereby amended to read as follows:

90.530 The following transactions are exempt from NRS 90.460 and 90.560:

1. An isolated nonissuer transaction, whether or not effected through a broker-dealer.

2. A nonissuer transaction in an outstanding security if the issuer of the security has a class of securities subject to registration under section 12 of the Securities Exchange Act of 1934, 15 U.S.C. § 78l, and has been subject to the reporting requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78m and 78o(d), for not less than 90 days next preceding the transaction, or has filed and maintained with the Administrator for not less than 90 days preceding the transaction information, in such form as the Administrator, by regulation, specifies, substantially comparable to the information the issuer would be required to file under section 12(b) or 12(g) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78l(b) and 78l(g), were the issuer to have a class of its securities registered under section 12 of the Securities Exchange Act of 1934, 15 U.S.C. § 78l, and paid a fee of \$300 with the filing.

3. A nonissuer transaction by a sales representative licensed in this State, in an outstanding security if:

(a) The security is sold at a price reasonably related to the current market price of the security at the time of the transaction;

(b) The security does not constitute all or part of an unsold allotment to, or subscription or participation by, a broker-dealer as an underwriter of the security;



(c) At the time of the transaction, a recognized securities manual designated by the Administrator by regulation or order contains the names of the issuer's officers and directors, a statement of the financial condition of the issuer as of a date within the preceding 18 months, and a statement of income or operations for each of the last 2 years next preceding the date of the statement of financial condition, or for the period as of the date of the statement of financial condition if the period of existence is less than 2 years;

(d) The issuer of the security has not undergone a major reorganization, merger or acquisition within the preceding 30 days which is not reflected in the information contained in the manual; and

(e) At the time of the transaction, the issuer of the security has a class of equity security listed on the New York Stock Exchange, American Stock Exchange or other exchange designated by the Administrator, or on the National Market System of the National Association of Securities Dealers Automated Quotation System. The requirements of this paragraph do not apply if:

(1) The security has been outstanding for at least 180 days;

(2) The issuer of the security is actually engaged in business and is not developing the issuer's business, in bankruptcy or in receivership; and

(3) The issuer of the security has been in continuous operation for at least 5 years.

4. A nonissuer transaction in a security that has a fixed maturity or a fixed interest or dividend provision if there has been no default during the current fiscal year or within the 3 preceding years, or during the existence of the issuer, and any predecessors if less than 3 years, in the payment of principal, interest or dividends on the security.

5. A nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to purchase.

6. A transaction between the issuer or other person on whose behalf the offering of a security is made and an underwriter, or a transaction among underwriters.

7. A transaction in a bond or other evidence of indebtedness secured by a real estate mortgage, deed of trust, personal property security agreement, or by an agreement for the sale of real estate or personal property, if the entire mortgage, deed of trust or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit.

8. A transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian or conservator.



9. A transaction executed by a bona fide secured party without the purpose of evading this chapter.

10. An offer to sell or the sale of a security to a financial or institutional investor or to a broker-dealer.

11. Except as otherwise provided in this subsection, a transaction pursuant to an offer to sell securities of an issuer if:

(a) The transaction is part of an issue in which there are not more than 25 purchasers in this State, other than those designated in subsection 10, during any 12 consecutive months;

(b) No general solicitation or general advertising is used in connection with the offer to sell or sale of the securities;

(c) No commission or other similar compensation is paid or given, directly or indirectly, to a person, other than a broker-dealer licensed or not required to be licensed under this chapter, for soliciting a prospective purchaser in this State; and

(d) One of the following conditions is satisfied:

(1) The seller reasonably believes that all the purchasers in this State, other than those designated in subsection 10, are purchasing for investment; or

(2) Immediately before and immediately after the transaction, the issuer reasonably believes that the securities of the issuer are held by 50 or fewer beneficial owners, other than those designated in subsection 10, and the transaction is part of an aggregate offering that does not exceed \$500,000 during any 12 consecutive months.

↳ The Administrator by rule or order as to a security or transaction or a type of security or transaction may withdraw or further condition the exemption set forth in this subsection or waive one or more of the conditions of the exemption.

12. An offer to sell or sale of a preorganization certificate or subscription if:

(a) No commission or other similar compensation is paid or given, directly or indirectly, for soliciting a prospective subscriber;

(b) No public advertising or general solicitation is used in connection with the offer to sell or sale;

(c) The number of offers does not exceed 50;

(d) The number of subscribers does not exceed 10; and

(e) No payment is made by a subscriber.

13. An offer to sell or sale of a preorganization certificate or subscription issued in connection with the organization of a depository institution if that organization is under the supervision of an official or agency of a state or of the United States which has and exercises the authority to regulate and supervise the organization of



the depository institution. For the purpose of this subsection, “under the supervision of an official or agency” means that the official or agency by law has authority to require disclosures to prospective investors similar to those required under NRS 90.490, impound proceeds from the sale of a preorganization certificate or subscription until organization of the depository institution is completed, and require refund to investors if the depository institution does not obtain a grant of authority from the appropriate official or agency.

14. A transaction pursuant to an offer to sell to existing security holders of the issuer, including persons who at the time of the transaction are holders of transferable warrants exercisable within not more than 90 days after their issuance, convertible securities or nontransferable warrants, if:

(a) No commission or other similar compensation, other than a standby commission, is paid or given, directly or indirectly, for soliciting a security holder in this State; or

(b) The issuer first files a notice specifying the terms of the offer to sell, together with a nonrefundable fee of \$300, and the Administrator does not by order disallow the exemption within the next 5 full business days.

15. A transaction involving an offer to sell, but not a sale, of a security not exempt from registration under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq., if:

(a) A registration or offering statement or similar record as required under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq., has been filed, but is not effective;

(b) A registration statement, if required, has been filed under this chapter, but is not effective; and

(c) No order denying, suspending or revoking the effectiveness of registration, of which the offeror is aware, has been entered by the Administrator or the Securities and Exchange Commission, and no examination or public proceeding that may culminate in that kind of order is known by the offeror to be pending.

16. A transaction involving an offer to sell, but not a sale, of a security exempt from registration under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq., if:

(a) A registration statement has been filed under this chapter, but is not effective; and

(b) No order denying, suspending or revoking the effectiveness of registration, of which the offeror is aware, has been entered by the Administrator and no examination or public proceeding that may



culminate in that kind of order is known by the offeror to be pending.

17. A transaction involving the distribution of the securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets or other reorganization to which the issuer, or its parent or subsidiary, and the other person, or its parent or subsidiary, are parties, if:

(a) The securities to be distributed are registered under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq., before the consummation of the transaction; or

(b) The securities to be distributed are not required to be registered under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq., written notice of the transaction and a copy of the materials, if any, by which approval of the transaction will be solicited, together with a nonrefundable fee of \$300, are given to the Administrator at least 10 days before the consummation of the transaction and the Administrator does not, by order, disallow the exemption within the next 10 days.

18. A transaction involving the offer to sell or sale of one or more promissory notes each of which is directly secured by a first lien on a single parcel of real estate, or a transaction involving the offer to sell or sale of participation interests in the notes if the notes and participation interests are originated by a depository institution and are offered and sold subject to the following conditions:

(a) The minimum aggregate sales price paid by each purchaser may not be less than \$250,000;

(b) Each purchaser must pay cash either at the time of the sale or within 60 days after the sale; and

(c) Each purchaser may buy for the purchaser's own account only.

19. A transaction involving the offer to sell or sale of one or more promissory notes directly secured by a first lien on a single parcel of real estate or participating interests in the notes, if the notes and interests are originated by a mortgagee approved by the Secretary of Housing and Urban Development under sections 203 and 211 of the National Housing Act, 12 U.S.C. §§ 1709 and 1715b, and are offered or sold, subject to the conditions specified in subsection 18, to a depository institution or insurance company, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association.



20. A transaction between any of the persons described in subsection 19 involving a nonassignable contract to buy or sell the securities described in subsection 18 if the contract is to be completed within 2 years and if:

(a) The seller of the securities pursuant to the contract is one of the parties described in subsection 18 or 19 who may originate securities;

(b) The purchaser of securities pursuant to a contract is any other person described in subsection 19; and

(c) The conditions described in subsection 18 are fulfilled.

21. A transaction involving one or more promissory notes secured by a lien on real estate, or participating interests in those notes, by ~~f~~

~~—(a) A~~ **a** mortgage ~~banker licensed pursuant to chapter 645E of NRS to engage in those transactions; or~~

~~—(b) A mortgage broker~~ **company** licensed pursuant to chapter 645B of NRS to engage in those transactions.

Sec. 93. NRS 205.372 is hereby amended to read as follows:

205.372 1. A person who is a participant in a mortgage lending transaction and who:

(a) Knowingly makes a false statement or misrepresentation concerning a material fact or knowingly conceals or fails to disclose a material fact;

(b) Knowingly uses or facilitates the use of a false statement or misrepresentation made by another person concerning a material fact or knowingly uses or facilitates the use of another person's concealment or failure to disclose a material fact;

(c) Receives any proceeds or any other money in connection with a mortgage lending transaction that the person knows resulted from a violation of paragraph (a) or (b);

(d) Conspires with another person to violate any of the provisions of paragraph (a), (b) or (c); or

(e) Files or causes to be filed with a county recorder any document that the person knows to include a misstatement, misrepresentation or omission concerning a material fact,

↳ commits the offense of mortgage lending fraud which is a category C felony and, upon conviction, shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years, or by a fine of not more than \$10,000, or by both fine and imprisonment.

2. A person who engages in a pattern of mortgage lending fraud or conspires or attempts to engage in a pattern of mortgage lending fraud is guilty of a category B felony and, upon conviction,



shall be punished by imprisonment in the state prison for a minimum term of not less than 3 years and a maximum term of not more than 20 years, or by a fine of not more than \$50,000, or by both fine and imprisonment.

3. Each mortgage lending transaction in which a person violates any provision of subsection 1 constitutes a separate violation.

4. Except as otherwise provided in this subsection, if a lender or any agent of the lender is convicted of the offense of mortgage lending fraud in violation of this section, the mortgage lending transaction with regard to which the fraud was committed may be rescinded by the borrower within 6 months after the date of the conviction if the borrower gives written notice to the lender and records that notice with the recorder of the county in which the mortgage was recorded. A mortgage lending transaction may not be rescinded pursuant to this subsection if the lender has transferred the mortgage to a bona fide purchaser.

5. The Attorney General may investigate and prosecute a violation of this section.

6. In addition to the criminal penalties imposed for a violation of this section, any person who violates this section is subject to a civil penalty of not more than \$5,000 for each violation. This penalty must be recovered in a civil action, brought in the name of the State of Nevada by the Attorney General. In such an action, the Attorney General may recover reasonable attorney's fees and costs.

7. The owner or holder of the beneficial interest in real property which is the subject of mortgage lending fraud may bring a civil action in the district court in and for the county in which the real property is located to recover any damages suffered by the owner or holder of the beneficial interest plus reasonable attorney's fees and costs.

8. As used in this section:

(a) "Bona fide purchaser" means any person who purchases a mortgage in good faith and for valuable consideration and who does not know or have reasonable cause to believe that the lender or any agent of the lender engaged in mortgage lending fraud in violation of this section.

(b) "Mortgage lending transaction" means any transaction between two or more persons for the purpose of making or obtaining, attempting to make or obtain, or assisting another person to make or obtain a loan that is secured by a mortgage or other lien on residential real property. The term includes, without limitation:

(1) The solicitation of a person to make or obtain the loan;



(2) The representation or offer to represent another person to make or obtain the loan;

(3) The negotiation of the terms of the loan;

(4) The provision of services in connection with the loan;
and

(5) The execution of any document in connection with making or obtaining the loan.

(c) "Participant in a mortgage lending transaction" includes, without limitation:

(1) A borrower as defined in NRS 598D.020;

(2) An escrow agent as defined in NRS 645A.010;

(3) A foreclosure consultant as defined in NRS 645F.320;

(4) A foreclosure purchaser as defined in NRS 645F.330;

(5) An investor as defined in NRS 645B.0121;

(6) A lender as defined in NRS 598D.050;

(7) A loan modification consultant as defined in NRS 645F.365;

(8) A mortgage ~~agent~~ *loan originator* as defined in NRS 645B.0125;

(9) A mortgage ~~banker~~ *company* as defined in ~~NRS 645E.100;~~

~~(10) A mortgage broker as defined in~~ NRS 645B.0127; and
~~(11)~~ **(10)** A mortgage servicer as defined in NRS 645F.063.

(d) "Pattern of mortgage lending fraud" means one or more violations of a provision of subsection 1 committed in two or more mortgage lending transactions which have the same or similar purposes, results, accomplices, victims or methods of commission, or are otherwise interrelated by distinguishing characteristics.

Sec. 94. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 130.312, 130.712, 136.050, 159.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160,



200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.5002, 293.503, 293.558, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147, 392.264, 392.271, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 433.534, 433A.360, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.365, 481.063, 482.170, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070, 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400, 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641A.191, 641B.170, 641C.760, 642.524, 643.189, 644.446, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135,



~~645E.300, 645E.375,~~ 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 710.159, 711.600, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate the confidential information from the information included in the public book or record that is not otherwise confidential.

4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.



(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 95. NRS 315.99815 is hereby amended to read as follows:

315.99815 “Lending institution” means any bank or trust company, Federal National Mortgage Association approved mortgage ~~banker,~~ **company**, national banking association, savings and loan association or other financial institution or governmental agency of the United States which customarily provides service or otherwise aids in the financing of mortgages located in this State.

Sec. 96. NRS 319.090 is hereby amended to read as follows:

319.090 “Lending institution” means any bank or trust company, Federal National Mortgage Association approved mortgage ~~banker,~~ **company**, national banking association, savings and loan association or other financial institution or governmental agency of the United States which customarily provides service or otherwise aids in the financing of mortgages located in this state.

Sec. 97. NRS 319.173 is hereby amended to read as follows:

319.173 1. There is hereby created an Advisory Committee on Housing to review and provide to the Director of the Department of Business and Industry and the Administrator advice, recommendations and other commentary regarding:

(a) The investment of money or issuance of obligations by the Division.

(b) The development of new programs or the improvement of existing programs of the Division.

(c) The improvement of policies and procedures of the Division, including those relating to the dissemination of relevant information to persons who participate in or are otherwise interested in programs of the Division.

(d) The administration of the Account for Low-Income Housing.

(e) Any other matters referred to the Advisory Committee by the Director or Administrator.

2. The Advisory Committee consists of the Director of the Department of Business and Industry or his or her representative, and eight members appointed by the Director. The Director shall appoint to the Advisory Committee:

(a) One representative of an association of mortgage ~~bankers~~ **companies** in this State, selected from a list of names submitted to the Director by that association.



(b) One representative of persons engaged in residential construction in this State.

(c) One representative of banks or savings and loan associations in this State who is knowledgeable about making mortgage loans.

(d) One member who is knowledgeable about the sale and marketing or the management of real property in this State.

(e) One member who is knowledgeable about the development or management of nonprofit housing in this State.

(f) One member who is knowledgeable about housing programs sponsored, administered or supported by local governments in this State.

(g) One member who is knowledgeable about federal housing programs administered by the Division.

(h) One member who is an advocate of affordable housing.

→ The members of the Advisory Committee are not entitled to any additional compensation for their service in that capacity.

3. The Director of the Department of Business and Industry or his or her representative shall serve as the Chair of the Advisory Committee. The Advisory Committee shall meet at least once each calendar quarter, and at the call of the Chair or upon the written request of the Administrator or a majority of the members of the Committee.

4. The Administrator shall submit annually to the Advisory Committee for its review, comment and recommendations a work plan for the activities of the Division for the succeeding calendar year. The work plan must include:

(a) The expected needs for financing and anticipated demand for tax credits and sources of funding for each of the programs administered by the Division.

(b) Strategies for meeting those needs and demands.

(c) A plan for resolving any anticipated problems in carrying out those strategies.

(d) A plan for the allocation of the resources of the Division, including the allotment of its employees' time, to carry out the work plan in such a manner as to serve the entire area of the State adequately.

(e) Any other matters which are critical to the success of any programs administered by the Division.

5. Before the:

(a) Investment of money of the Division pursuant to NRS 319.171; or

(b) Submission of findings to the State Board of Finance pursuant to subsection 4 of NRS 319.323,



↳ the Administrator shall submit a plan of investment or a plan of financing, together with any proposed findings relating to that plan, to the Advisory Committee for its review and comment.

6. The Administrator shall report to the Advisory Committee at least once each calendar quarter on the activities of the Division and the implementation of the Division's work plan for that year.

Sec. 98. NRS 363A.050 is hereby amended to read as follows:

363A.050 1. Except as otherwise provided in subsection 2, "financial institution" means:

(a) An institution licensed, registered or otherwise authorized to do business in this State pursuant to the provisions of title 55 or 56 of NRS or chapter 604A ~~H~~ or 645B ~~for 645E~~ of NRS, or a similar institution chartered or licensed pursuant to federal law;

(b) A person licensed or registered or required to be licensed or registered pursuant to NRS 90.310, 90.330, 90.453, 686A.340 or 688C.190;

(c) A person holding or required to hold a solicitation permit or license pursuant to NRS 692B.040, 692B.190 or 692B.260;

(d) A person designated or registered or required to be designated or registered pursuant to the Commodity Exchange Act, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940 or the Investment Advisers Act of 1940, as amended;

(e) A person licensed pursuant to 7 U.S.C. § 2009cc-3 to operate as a rural business investment company;

(f) A person registered or required to be registered as a savings and loan holding company pursuant to 12 U.S.C. § 1467a;

(g) A person registered or required to be registered as a bank holding company pursuant to 12 U.S.C. § 1844;

(h) An investment bank holding company supervised pursuant to 15 U.S.C. § 78q;

(i) A person electing to be treated as a business development company pursuant to 15 U.S.C. § 80a-53;

(j) A person licensed pursuant to 15 U.S.C. § 681 to operate as a small business investment company;

(k) A person granted final approval pursuant to 15 U.S.C. § 689c to operate as a new markets venture capital company;

(l) A person qualifying as and electing to be considered a real estate investment trust pursuant to 26 U.S.C. § 856;

(m) A bank, as defined in 12 U.S.C. § 1813(a);

(n) A savings association, as defined in 12 U.S.C. § 1813(b);

(o) A savings bank, as defined in 12 U.S.C. § 1813(g);

(p) A thrift institution, as defined in 12 U.S.C. § 1841(i);



(q) A national banking association organized under the National Bank Act;

(r) An entity that is related to any of the entities described in paragraphs (a), (b), (d) to (k), inclusive, and (m) to (q), inclusive, regardless of whether the entity described in any of those paragraphs is doing business in this State; and

(s) An issuer or a service provider,

↳ who is conducting a business activity in this State.

2. The term does not include:

(a) A credit union organized under the provisions of chapter 678 of NRS or the Federal Credit Union Act;

(b) A federal land credit association, farm credit bank, agricultural credit association or similar institution organized under the provisions of the Farm Credit Act;

(c) A person who sells, solicits or negotiates insurance and whose business primarily consists of the sale, solicitation or negotiation of insurance; and

(d) Any person or other entity that this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

3. For the purposes of this section:

(a) "Credit card" has the meaning ascribed to it in NRS 97A.050.

(b) "Entity" includes, without limitation, any corporation, limited-liability company, association, organization, company, firm, partnership, joint venture, trust, business trust, receiver, trustee, syndicate, cooperative or assignee, or any other group or combination acting as a unit.

(c) "Issuer" has the meaning ascribed to it in NRS 97A.100, except that the term does not include a seller of goods or provider of services who issues a credit card for the purpose of providing or extending credit only in connection with the goods he or she sells or the services he or she provides.

(d) A business "primarily consists of the sale, solicitation or negotiation of insurance" if more than 50 percent of the annual income of the business from commissions is derived from the sale, solicitation or negotiation of insurance.

(e) Entities are "related" if at least 50 percent of the interest, either by vote or value, in each entity is owned, either directly or indirectly, by the same entity, including either of those entities.

(f) "Service provider" has the meaning ascribed to it in NRS 97A.130, except that the term does not include a service provider who acts in that capacity solely on behalf of a seller of goods or



provider of services who issues a credit card for the purpose of providing or extending credit only in connection with the goods he or she sells or the services he or she provides.

Sec. 99. NRS 604A.250 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



12. Any firm or corporation:
 - (a) Whose principal purpose or activity is lending money on real property which is secured by a mortgage;
 - (b) Approved by the Federal National Mortgage Association as a seller or servicer; and
 - (c) Approved by the Department of Housing and Urban Development and the Department of Veterans Affairs.
13. A person who provides money for investment in loans secured by a lien on real property, on his or her own account.
14. A seller of real property who offers credit secured by a mortgage of the property sold.
15. A person who makes a refund anticipation loan, unless the person operates a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service.

Sec. 100. NRS 604A.655 is hereby amended to read as follows:

604A.655 1. Except as otherwise provided in this section, a licensee may not conduct the business of making loans within any office, suite, room or place of business in which any other lending business is solicited or engaged in, except an insurance agency or notary public, or in association or conjunction with any other business, unless authority to do so is given by the Commissioner.

2. A licensee may conduct the business of making loans in the same office or place of business as ~~+~~

~~—(a) A~~ a mortgage ~~broker~~ company if:

~~{(1)}~~ (a) The licensee and the mortgage ~~broker~~ company:

~~{(I)}~~ (I) Maintain separate accounts, books and records;

~~{(II)}~~ (II) Are subsidiaries of the same parent corporation;

and

~~{(III)}~~ (III) Maintain separate licenses; and

~~{(2)}~~ (b) The mortgage ~~broker~~ company is licensed by this State pursuant to chapter 645B of NRS and does not receive money to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.

~~{(b)}~~ A mortgage banker if:

~~—(1) The licensee and the mortgage banker:~~

~~—(I) Maintain separate accounts, books and records;~~

~~—(II) Are subsidiaries of the same parent corporation; and~~

~~—(III) Maintain separate licenses; and~~

~~—(2) The mortgage banker is licensed by this State pursuant to chapter 645E of NRS and, if the mortgage banker is also licensed as a mortgage broker pursuant to chapter 645B of NRS, does not~~



~~receive money to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.~~

3. If a pawnbroker is licensed to operate a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service, the pawnbroker may operate that service at the same office or place of business from which he or she conducts business as a pawnbroker pursuant to chapter 646 of NRS.

Sec. 101. NRS 657.120 is hereby amended to read as follows:

657.120 1. A financial institution may impose and collect a fee or charge, not to exceed an amount specified in or limited by specific statute, for any service it provides to a customer, if the fee or charge is clearly and conspicuously disclosed in writing to the customer before the customer receives the service. A financial institution must provide a customer with written notice of any increase in the fee or charge at least 10 days before the increase becomes effective.

2. A fee or charge for the presentation for payment, on a single business day, of multiple checks drawn by a customer on an account for which there is an insufficient balance to pay all the checks, must be determined as if the checks drawn in a single series or class were presented:

- (a) In the order the checks were written;
- (b) From the lowest check number to the highest check number;

or

(c) In order of ascending amounts, the check for the smallest sum being presented first.

3. As used in this section, "financial institution" means an institution licensed pursuant to the provisions of this title or title 56 or chapter 645B ~~[-645E]~~ or 649 of NRS, or a similar institution chartered or licensed pursuant to federal law.

Sec. 102. NRS 657.130 is hereby amended to read as follows:

657.130 1. As used in this section, unless the context otherwise requires:

(a) "Committee to review compliance" means one or more persons assigned or engaged by a financial institution to test, review or evaluate its conduct, transactions or potential transactions, policies or procedures for the purpose of monitoring and improving or enforcing compliance with state and federal statutes and regulations requiring safe, sound and fair lending practices, including, without limitation, acts concerning equal credit opportunity, fair housing, fair lending, flood zone protection, housing and financial discrimination, truth in lending and financial reporting to federal or state regulatory agencies.



(b) "Financial institution" means an institution licensed pursuant to the provisions of this title or title 56 or chapter 645B ~~for 645E~~ of NRS, or a similar institution chartered or licensed pursuant to federal law. The term includes, without limitation, a holding company, affiliate or subsidiary of such an institution.

2. Except as otherwise voluntarily authorized by the financial institution:

(a) A document prepared for or created by a committee to review compliance is confidential and privileged, and is not subject to discovery or admissible in evidence in a civil action of this State, even if it has been submitted to a governmental or regulatory agency of this State, the United States or a foreign government.

(b) A member of a committee to review compliance or a person who acted under the direction of the committee cannot be required to testify in a civil action concerning the contents of a document described in paragraph (a) or concerning the discussions or conclusions of, or the actions taken by, the committee.

Sec. 103. NRS 657.140 is hereby amended to read as follows:

657.140 1. Except as otherwise provided in subsection 2, a financial institution shall not include in any loan agreement a provision that allows the financial institution to recover, take, appropriate or otherwise apply as a setoff against any debt or liability owing to the financial institution under the loan agreement money from an account unrelated to the loan agreement to the extent the money is exempt from execution pursuant to paragraph (y) of subsection 1 of NRS 21.090.

2. The provisions of subsection 1 do not apply to a provision in a loan agreement that specifically authorizes automatic withdrawals from an account.

3. The provisions of this section may not be varied by agreement, and the rights conferred by this section may not be waived. Any provision included in an agreement that conflicts with this section is void.

4. As used in this section:

(a) "An account unrelated to the loan agreement" includes, without limitation, an account pledged as security under the loan agreement, unless the specific account pledged as security is conspicuously described in the loan agreement.

(b) "Financial institution" means an institution licensed pursuant to the provisions of this title or title 56 or chapter 645B ~~for 645E~~ or 649 of NRS, or a similar institution chartered or licensed pursuant to federal law.



Sec. 104. NRS 658.190 is hereby amended to read as follows:

658.190 1. The Commissioner of Financial Institutions shall, with the cooperation of the Commissioner of Mortgage Lending, adopt regulations concerning nontraditional mortgage loan products and lending practices of persons and financial institutions that are required to be licensed or registered pursuant to the provisions of titles 55 and 56 and ~~chapters~~ *chapter* 645B ~~and 645E~~ of NRS and which make or offer to make loans that are secured by liens on real property.

2. The regulations required to be adopted by subsection 1 must be substantially similar to the provisions set forth in the "Guidance on Nontraditional Mortgage Product Risks" published by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators on November 14, 2006.

3. If the publication is revised, the Commissioner shall review the revision to determine whether the revision is suitable for this State. If the Commissioner determines that the revision is suitable for this State, he or she shall adopt a regulation that includes the revision.

4. If the Commissioner determines that the revision is not suitable for this State, the Commissioner shall hold a hearing within 60 days after his or her determination and give notice of the hearing. If, after the hearing, the Commissioner does not revise his or her determination, the Commissioner shall give written notice within 30 days after the hearing that the revision is not suitable for this State.

5. As used in this section, "nontraditional mortgage loan product":

(a) Means a residential loan agreement whose terms allow a borrower to defer repayment of principal or payment of interest on the loan for a period.

(b) Includes, without limitation:

- (1) An interest-only loan; and
- (2) A payment option adjustable-rate mortgage.

(c) Does not include:

- (1) A home equity line of credit other than a simultaneous second-lien home equity line of credit; or
- (2) A reverse mortgage.

Sec. 104.5. NRS 658.210 is hereby amended to read as follows:

658.210 1. Except as otherwise provided in NRS 645F.296, any person authorized to engage in activities as a residential mortgage loan originator on behalf of a privately insured institution



or organization licensed under title 55 or 56 of NRS shall obtain and maintain a license as a mortgage ~~agent~~ *loan originator*.

2. As used in subsection 1:

(a) “Mortgage ~~agent~~” *loan originator*” has the meaning ascribed to in NRS 645B.0125; and

(b) “Residential mortgage loan originator” has the meaning ascribed to it in NRS 645B.01325.

Sec. 105. NRS 675.035 is hereby amended to read as follows:

675.035 The provisions of this chapter apply to any person who:

1. Makes installment loans that are not subject to regulation pursuant to chapter 604A of NRS;

2. Is an affiliate, subsidiary or holding company of a bank, national banking association, savings bank, trust company, savings and loan association, credit union, mortgage ~~broker, mortgage banker,~~ *company*, mortgage servicer as that term is defined in NRS 645F.063, thrift company or insurance company; and

3. Seeks to evade its application by any device, subterfuge or pretense, including, without limitation:

(a) Calling a loan by any other name;

(b) Using any agents, affiliates or subsidiaries in an attempt to avoid the application of the provisions of this chapter; or

(c) Having any affiliation or other business arrangement with an entity that is exempt from the provisions of this chapter pursuant to subsection 1 of NRS 675.040, the effect of which is to evade the provisions of this chapter, including, without limitation, making a loan while purporting to be the agent of such an exempt entity where the purported agent holds, acquires or maintains a material economic interest in the revenues generated by the loan.

Sec. 106. NRS 675.040 is hereby amended to read as follows:

675.040 This chapter does not apply to:

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

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

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



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

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

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

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

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

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

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

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

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

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

Sec. 107. NRS 675.230 is hereby amended to read as follows:

675.230 1. Except as otherwise provided in subsection 2, a licensee may not conduct the business of making loans under this chapter within any office, suite, room or place of business in which any other business is solicited or engaged in, except an insurance agency or notary public, or in association or conjunction with any other business, unless authority to do so is given by the Commissioner.

2. A licensee may conduct the business of making loans pursuant to this chapter in the same office or place of business as ~~†~~

~~(a) A~~ a mortgage ~~†broker†~~ company if:

~~(1)~~ (a) The licensee and the mortgage ~~†broker:†~~ company:

~~(1)~~ (1) Operate as separate legal entities;

~~(1)~~ (2) Maintain separate accounts, books and records;

~~(1)~~ (3) Are subsidiaries of the same parent corporation; and

~~(IV)~~ (4) Maintain separate licenses; and

~~(2)~~ (b) The mortgage ~~†broker†~~ company is licensed by this state pursuant to chapter 645B of NRS and does not receive money



to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.

~~[(b) A mortgage banker if:~~

- ~~—— (1) The licensee and the mortgage banker:~~
 - ~~—— (I) Operate as separate legal entities;~~
 - ~~—— (II) Maintain separate accounts, books and records;~~
 - ~~—— (III) Are subsidiaries of the same parent corporation; and~~
 - ~~—— (IV) Maintain separate licenses; and~~
- ~~—— (2) The mortgage banker is licensed by this state pursuant to chapter 645E of NRS and, if the mortgage banker is also licensed as a mortgage broker pursuant to chapter 645B of NRS, does not receive money to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.]~~

Sec. 108. NRS 690B.180 is hereby amended to read as follows:

690B.180 An insurer who issues policies of insurance for home protection, other than casualty insurance, shall not:

1. Engage in any other business of insurance or real estate pursuant to chapters 645 to ~~[645E,]~~ **645H**, inclusive, of NRS.
2. Assume reinsurance from any other insurer.

Sec. 109. A person who, on January 1, 2020, is the holder of a valid license as a:

1. Mortgage broker issued pursuant to NRS 645B.020 and who is otherwise qualified to hold such a license on that date shall be deemed to hold a license as a mortgage company issued pursuant to NRS 645B.020, as amended by section 11 of this act.
2. Mortgage banker issued pursuant to NRS 645E.200 and who is otherwise qualified to hold such a license on that date shall be deemed to hold a license as a mortgage company issued pursuant to NRS 645B.020, as amended by section 11 of this act.
3. Mortgage agent issued pursuant to NRS 645B.410 and who is otherwise qualified to hold such a license on that date shall be deemed to hold a license as a mortgage loan originator issued pursuant to NRS 645B.410, as amended by section 57 of this act.

Sec. 110. The regulations of the Commissioner of Mortgage Lending which are codified as chapter 645E of NAC remain in effect and may be enforced with respect to any person who, on January 1, 2020, is the holder of a valid license as a mortgage banker issued pursuant to NRS 645E.200 until the Commissioner adopts regulations to repeal or replace those regulations.

Sec. 111. The Commissioner of Mortgage Lending shall, on or before January 1, 2020, adopt such regulations as are necessary to carry out the provisions of this act.



Sec. 112. NRS 645B.035, 645E.010, 645E.020, 645E.030, 645E.040, 645E.050, 645E.060, 645E.070, 645E.080, 645E.090, 645E.100, 645E.105, 645E.115, 645E.130, 645E.150, 645E.160, 645E.165, 645E.170, 645E.200, 645E.210, 645E.220, 645E.230, 645E.280, 645E.290, 645E.291, 645E.300, 645E.310, 645E.315, 645E.320, 645E.350, 645E.360, 645E.370, 645E.375, 645E.390, 645E.420, 645E.430, 645E.440, 645E.470, 645E.620, 645E.630, 645E.640, 645E.670, 645E.680, 645E.690, 645E.700, 645E.710, 645E.750, 645E.800, 645E.900, 645E.910, 645E.920, 645E.930, 645E.950, 645E.955, 645E.960, 645F.050 and 645H.100 are hereby repealed.

Sec. 113. 1. This section and sections 15.5 and 88.5 of this act become effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act and on October 1, 2017, for all other purposes.

2. Sections 1 to 15, inclusive, 16 to 88, inclusive, and 89 to 112, inclusive, of this act become effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act and on January 1, 2020, for all other purposes.



