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## SMALL BUSINESS IMPACT STATEMENT

AS REQUIRED BY NRS 233B.0608

PROPOSED AMENDMENT TO NAC CHAPTERS 645A, NAC 645B AND NAC 645F

August 18, 2023

### **Background**

The following information comprises the Small Business Impact Statement drafted by the Nevada Division of Mortgage Lending (“the Division”) in compliance with Chapter 233B of the Nevada Revised Statutes (“NRS”) regarding its proposed regulations to Chapters 645A, 645B and 645F of the Nevada Administrative Codes (“NAC”) which governs escrow agencies, escrow agents, mortgage brokers and mortgage agents, mortgage lending and related professions. The Division has determined that the proposed additions and amendments should not have an adverse economic impact upon small businesses (but potentially may rather have a small positive impact), and should not prevent the formation, operation, or expansion of a small business in Nevada.

The proposed regulations were drafted to comply with the Governor’s Executive Order 2023-003 to streamline, clarify, reduce, or improve the existing regulations. The Division proposes to amend NAC 645A, NAC 645B and NAC 645F to accommodate the changes made in law and to ensure regulations are written clearly and concisely, that regulations are not duplicative and unnecessary and that regulations protect the health and welfare of Nevada without unnecessarily burdening business activity. The proposed regulations amend NAC 645A, NAC 645B and NAC 645F in the following manner:

- Remove the requirement to return the original license as the Division has gone to electronic licenses and clarify the process.
- To allow electronic email channel in addition to regular mail in paper format.
- To add the missing s in http on the website URL and remove the Northern Nevada phone number.
- Remove the Yellowpage listings and add media platforms.
- To add “on a format prescribed by the Commissioner.”

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In effort to determine whether or not its proposed regulations were likely to impose a direct and significant economic burden upon small business, or directly restrict the formation, operation, or expansion of a small business, the Division posted the proposed regulations to the Division's website as accompanied by a summary of their provisions and opportunity to provide comments. In addition, the Division solicited comments by its licensees under Chapters 645A, 645B and 645F of the NAC, as well as by other interested persons, when it emailed them copies of the proposed regulations with a summary of the provisions. Following receipt of response (s) thereto, the Division prepared its Small Business Impact as set forth below:

**1. A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Division sent an email notice to its licensees and interested parties on July 24, 2023, containing the proposed regulation amendments to NAC 645A, NAC 645B and NAC 645F in effort to ensure that these amendments do not unnecessarily burden the business activity of a small business or do not directly restrict the formation, operation, or expansion of a small business, the Division posted its draft regulations on its website, [http://mld.nv.gov/About/MLD\\_Updates](http://mld.nv.gov/About/MLD_Updates) and made e-mail notification to its Nevada licensed escrow agencies, escrow agents, mortgage brokers, mortgage agents, mortgage bankers, mortgage lending and related professions, as well as to other interested persons (a total of approximately 19,949 recipients), soliciting input concerning the proposed regulations. Specifically, the Division sought both public and industry feedback concerning whether or not such proposals were likely to impose a direct and significant economic burden upon a small business subject to NAC 645A, NAC 645B or NAC 645F, or were likely to restrict the formation, operation, or expansion of a small business subject to NAC 645A, NAC 645B or NAC 645F. The Division set forth the definition of a "small business" as provided in NRS 233B.0382: "[A] business conducted for profit which employs fewer than 150 full-time or part-time employees."

The Division anticipates discussion concerning the impact of the proposed regulations upon small businesses at the time it conducts its scheduled workshop concerning the matter.

**2. The manner in which the analysis was conducted.**

See the answer provided to Item 1 directly above.

In order to determine how the Division could reduce the impact upon small business through the proposed regulations, the Division reviewed and considered the comments received in response to the email notice and those comments received during the drafting process.

A summary of the comments received regarding the proposed amendments to NAC 645A, NAC 645B or NAC 645F are available for viewing on the Division's website at [http://mld.nv.gov/About/MLD\\_Updates](http://mld.nv.gov/About/MLD_Updates).

**3. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:**  
**a. Both adverse and beneficial effects; and**

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The proposed regulations should not result in any adverse economic impact on small business as it does not increase any cost to the business.

The proposed regulations should have a beneficial economic impact on small business because it streamlines, clarifies, reduces, or improves the existing regulations.

**b. Both direct and indirect effects.**

**Direct or indirect beneficial effects:** Potential cost savings to the small business will result with the enactment of the proposed regulations by reducing the need to mail in paperwork as the Division has gone to electronic licenses.

**Direct adverse effects:** No direct adverse effects were noted.

**Indirect adverse effects:** No indirect adverse effects were noted.

**4. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

In order to enable public input concerning how the proposed regulations may impact a small business, the Division posted to its website the proposed regulations, as well as a summary of their provisions, providing opportunity to provide comments concerning the regulations. The Division additionally provided this same information directly to its Nevada-licensed escrow agents, escrow agencies, mortgage brokers, mortgage agents, mortgage bankers, mortgage lending and related professions, as well as other interested persons, pursuant to e-mail transmission. In attempt to reduce potential burden upon a small business, and in conformance with the requirements of the Governor's Executive Order 2023-003, the Division drafted the proposed regulations to streamline, clarify, reduce, or improve the regulations.

The Division anticipates that further input by the public concerning the impact of the proposed regulations upon a small business, including any methods to reduce any adverse impacts, will be addressed, and considered at the time the Division conducts its scheduled workshop in this matter. Any additional feedback will be taken into account when determining if revisions to the proposed regulations are necessary.

**5. The estimated cost to the agency for enforcement of the proposed regulation.**

The Division anticipates that the cost to the agency will be minimal. The Division currently expects that the costs for enforcement of the proposed regulations will be absorbed into the existing workloads of current staffing levels.

**6. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed regulations do not otherwise provide a new fee, and do not provide for any increase to an existing fee.

**7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

The proposed regulations neither duplicate, nor are they more stringent, than any existing federal, state, or local standards regulating the same activity.

**8. The reasons for the conclusions of the agency regarding the impact of a regulation on small businesses.**

Based upon the comments received in response to the Division's solicitations of comments or input concerning the proposed regulations as set forth in Item (1) above, and considering the legislative directives or goals that the Division seeks to implement by its drafted proposals as discussed herein, the Division believes the impact of the proposed regulations upon small businesses may be only beneficial, neither being likely to impose a direct and significant economic burden upon a small business, nor likely to restrict the formation, operation, or expansion of a small business.

The Commissioner of the Division of Mortgage Lending has determined that the proposed additions and amendments to NAC 645A, NAC 645B or NAC 645F will not impose a significant and direct burden upon a small business and will not restrict the formation, operation, or expansion of a small business.

*I certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement was prepared properly and is accurate.*

  
Cathy Sheehy, Commissioner,  
Nevada Division of Mortgage Lending