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**PROPOSED AMENDMENTS TO AB 284
MORTGAGE LENDING PRACTICES**

Section 6: We suggest replacing the word "holds" with "originates" as follows:

Lender means a mortgagee, beneficiary of a deed of trust or other creditor who holds
originates a mortgage, deed of trust or other instrument that encumbers home property
as security for the repayment of a home loan.

EXPLANATION: This change captures the lender-borrower relationship at the decision-
making point-the origination.

Section 7.1(c): We suggest adding new language to this section as follows:

Finance a prepayment fee or penalty in connection with the refinancing by the original
borrower of a home loan owned by the lender or an affiliate of the lender, unless the
lender offers the borrower a similar loan not containing a prepayment fee or penalty.

EXPLANATION: This addition allows for a prepayment fee or penalty to be financed if
the lender offers a similar loan without that feature and provides borrowers a sometimes
necessary option.

Section 7.1(d): We suggest making several changes to this section as follows:

Finance, directly or indirectly in connection with a home loan, any credit insurance as
defined in NRS 690A.015, life insurance, disability insurance, health insurance,
involuntary unemployment insurance or any other similar form of insurance premiums,
unless, before the borrower executes the financing documents, the lender completes and
executes, a notice in substantially the following form:

EXPLANATION: The bill seeks to inform borrowers about credit insurance through a
new disclosure. It also amends NRS 690A, in which "credit insurance" is defined.

Section 8.1 and Section 9: We suggest replacing the word "person" with "lender" as follows:

A person lender who willfully engages in an unfair lending practice described in this
chapter is guilty of a misdemeanor.

A person lender who willfully engages in an unfair lending practice described in this
chapter is, in addition to the penalty that may be imposed for a misdemeanor, civilly
liable in an action brought by the Attorney General in an amount not to exceed \$5,000.

ASSEMBLY COMMERCE & LABOR

DATE: 4/2/03 ROOM: 4100 EXHIBIT 5

SUBMITTED BY: Cheryl Blomstrom

EXPLANATION: "Lender" is the term used in the act and is defined.

Section 9. Add a new subsection 1 as follows:

"The State maintains exclusive jurisdiction over these actions."

EXPLANATION: From other language in the bill, we understand that the Attorney General will have enforcement authority within this statute. This clarifies that relationship.

Other statutes within Title 52 have a variety of jurisdictional authorities. Many use the regulatory agency which works in concert with the Attorney General's office. This may be a consideration here as well.