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MAY 27 2003

MEMORANDUM

TO: SENATORS CARLTON, HARDY, NEAL, O'CONNELL, SCHNEIDER, AND SHAFFER
SENATE COMMITTEE ON COMMERCE AND LABOR

FROM: SENATOR RANDOLPH J. TOWNSEND, COMMITTEE CHAIRMAN

SUBJECT: COMMITTEE MEETING TOMORROW, MAY 28, 2003

DATE: 5/27/2003

Accompanying this memorandum is a 2-page document of information regarding AB 490 and AB 492, provided by the Department of Business and Industry. Please review the information prior to our Committee Meeting tomorrow at 8:00am. We will discuss issues pertaining to the information.

RJT/rcd

Enc.

Information Regarding AB 490 and AB 492
Provided by the Department of Business and Industry

AB 490, 2nd Reprint:

1. Provides for creation of the "Division of Mortgage Lending" and the "Commissioner of Mortgage Lending" as a self-funded agency within the Department of Business and Industry, with jurisdiction over mortgage brokers (NRS Chapter 645B), mortgage companies (NRS Chapter 645E, redesignated as "Mortgage Bankers") and Escrow Agents (NRS Chapter 645A);
2. Changes the current "registration" requirement for mortgage agents working for companies licensed pursuant to NRS Chapter 645B to a "licensing" requirement;
3. Increases to 10 from 5 hours the required continuing education requirements for Mortgage Brokers and Mortgage Agents;
4. Provides that advertising spokespersons are jointly and severally liable for damages caused by mortgage brokers under certain circumstances;
5. Clarifies that the provisions of NRS 645B.015(6) and 645E.150(6) exempting certain companies from the requirements of NRS Chapters 645B and 645E, do not authorize the operation of "net branches" where other persons or entities purport to operate under the licensing authority of such companies;
6. Amends NRS Chapter 645E to refer to businesses licensed and regulated by that chapter as "mortgage bankers;"
7. Provides authority for the Division of Mortgage Lending, and other agencies described in NRS 232.510, to conduct business over the Internet.

AB 492:

1. Eliminates the exemption set forth in NRS 645B.015(6) and NRS 645E.150(6);
2. Provides for the licensing and regulation of companies currently exempt from such licensing and regulation pursuant to NRS 645B.015(6) and NRS 645E.150(6) pursuant to a separate chapter of NRS;
3. Provides authority for the Division to investigate complaints against such companies and take regulatory action where appropriate;
4. Does not require annual examinations of such companies;
5. Designates companies licensed pursuant to the bill as "mortgage companies" (under draft amendment).

Mortgage Brokers – NRS
Chapter 645B

1. The purpose of this chapter is to regulate the business of mortgage brokers and to protect the interests of the public in the mortgage industry.

2. The provisions of this chapter shall apply to all persons who are engaged in the business of mortgage brokerage, whether or not they are licensed under this chapter.

3. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage brokerage as an employee of a mortgage servicer or a mortgage lender.

4. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage brokerage as an agent of a mortgage servicer or a mortgage lender.

5. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage brokerage as an agent of a mortgage servicer or a mortgage lender.

Mortgage Companies – NRS
Chapter 645C

1. The purpose of this chapter is to regulate the business of mortgage companies and to protect the interests of the public in the mortgage industry.

2. The provisions of this chapter shall apply to all persons who are engaged in the business of mortgage company, whether or not they are licensed under this chapter.

3. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage company as an employee of a mortgage servicer or a mortgage lender.

4. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage company as an agent of a mortgage servicer or a mortgage lender.

5. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage company as an agent of a mortgage servicer or a mortgage lender.

Division Mortgage Brokers
NRS 645B.010 to 645B.150

1. The purpose of this division is to regulate the business of mortgage brokers and to protect the interests of the public in the mortgage industry.

2. The provisions of this division shall apply to all persons who are engaged in the business of mortgage brokerage, whether or not they are licensed under this division.

3. The provisions of this division shall not apply to any person who is engaged in the business of mortgage brokerage as an employee of a mortgage servicer or a mortgage lender.

4. The provisions of this division shall not apply to any person who is engaged in the business of mortgage brokerage as an agent of a mortgage servicer or a mortgage lender.

5. The provisions of this division shall not apply to any person who is engaged in the business of mortgage brokerage as an agent of a mortgage servicer or a mortgage lender.

Consumer Agencies – NRS
Chapter 645A

1. The purpose of this chapter is to regulate the business of consumer agencies and to protect the interests of the public in the consumer industry.

2. The provisions of this chapter shall apply to all persons who are engaged in the business of consumer agency, whether or not they are licensed under this chapter.

3. The provisions of this chapter shall not apply to any person who is engaged in the business of consumer agency as an employee of a consumer servicer or a consumer lender.

4. The provisions of this chapter shall not apply to any person who is engaged in the business of consumer agency as an agent of a consumer servicer or a consumer lender.

5. The provisions of this chapter shall not apply to any person who is engaged in the business of consumer agency as an agent of a consumer servicer or a consumer lender.

Mortgage Regulation if AB 492 is incorporated into AB 490. Add to the above:

Mortgage Brokers – AB 492 (As Incorporated)
Chapter 645B

1. The purpose of this chapter is to regulate the business of mortgage brokers and to protect the interests of the public in the mortgage industry.

2. The provisions of this chapter shall apply to all persons who are engaged in the business of mortgage brokerage, whether or not they are licensed under this chapter.

3. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage brokerage as an employee of a mortgage servicer or a mortgage lender.

4. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage brokerage as an agent of a mortgage servicer or a mortgage lender.

5. The provisions of this chapter shall not apply to any person who is engaged in the business of mortgage brokerage as an agent of a mortgage servicer or a mortgage lender.