

ASSEMBLY BILL NO. 490—COMMITTEE ON
COMMERCE AND LABOR

MARCH 24, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to escrow agencies, mortgage brokers, mortgage agents and mortgage bankers. (BDR 54-998)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

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

AN ACT relating to mortgage investments; creating the Commissioner of Mortgage Lending and providing his duties; creating the Division of Mortgage Lending of the Department of Business and Industry; establishing the Fund for Mortgage Lending to be administered by the Commissioner; providing for the licensure of mortgage agents; providing that advertising spokespersons for mortgage brokers are jointly and severally liable for damages caused by the mortgage brokers under certain circumstances; revising the provisions relating to renewal of a license as a mortgage broker or mortgage agent; revising the provisions relating to exemptions to the licensure requirements of mortgage brokers and mortgage agents; increasing the amount of continuing education annually required of mortgage brokers and mortgage agents; revising provisions governing continuing education of mortgage brokers and mortgage agents; redesignating mortgage companies as mortgage bankers; providing that a division, office, authority, commission, board or other entity of the Department may provide for the conduct of business electronically; and providing other matters properly relating thereto.



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

- 1 **Section 1.** Title 54 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 17, inclusive, of this act.
- 4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 to 7, inclusive,*
6 *of this act have the meanings ascribed to them in those sections.*
- 7 **Sec. 3.** *“Commissioner” means the Commissioner of*
8 *Mortgage Lending.*
- 9 **Sec. 4.** *“Division” means the Division of Mortgage Lending*
10 *of the Department of Business and Industry.*
- 11 **Sec. 5.** *“Escrow agency” has the meaning ascribed to it in*
12 *NRS 645A.010.*
- 13 **Sec. 6.** *“Mortgage banker” has the meaning ascribed to it in*
14 *NRS 645E.100.*
- 15 **Sec. 7.** *“Mortgage broker” has the meaning ascribed to it in*
16 *NRS 645B.0127.*
- 17 **Sec. 8.** *The Commissioner and the Division shall administer*
18 *the provisions of this chapter and chapters 645A, 645B and 645E*
19 *of NRS, subject to administrative supervision by the Director of*
20 *the Department of Business and Industry.*
- 21 **Sec. 9.** *The Commissioner:*
- 22 1. *Must be a person who has had practical experience in the*
23 *financial services industry or the business of making loans*
24 *secured by an interest in real property.*
- 25 2. *Except as otherwise provided in NRS 284.143, shall devote*
26 *his entire time and attention to the business of his office and shall*
27 *not pursue any other business or occupation or hold any other*
28 *office of profit.*
- 29 **Sec. 10.** *The Commissioner shall not, either directly or*
30 *indirectly, be interested in any escrow agency, mortgage broker or*
31 *mortgage banker to which chapters 645A, 645B and 645E of NRS*
32 *apply, nor engage in business as a personal loan broker.*
- 33 **Sec. 11.** *After appointment and before entering upon the*
34 *discharge of the duties of his office, the Commissioner shall take*
35 *and subscribe to an official oath.*
- 36 **Sec. 12.** 1. *The Commissioner may appoint deputy*
37 *commissioners of mortgage lending, examiners, assistants, clerks,*
38 *stenographers and other employees necessary to assist him in the*
39 *performance of his duties pursuant to this chapter, chapters 645A,*
40 *645B and 645E of NRS or any other law. These employees shall*
41 *perform such duties as are assigned to them by the Commissioner.*



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1 2. *The Commissioner may employ or contract with a certified*
2 *public accountant to review and conduct independent audits and*
3 *examinations of escrow agencies, mortgage brokers and mortgage*
4 *bankers. The Commissioner shall levy an assessment upon each*
5 *licensed escrow agency, mortgage broker and mortgage banker to*
6 *cover all the costs related to the employment of or the contract*
7 *with the certified public accountant and the performance of the*
8 *audits and examinations.*

9 3. *Assessments collected by the Commissioner pursuant to*
10 *subsection 2 must be deposited in the State Treasury for deposit to*
11 *the Fund for Mortgage Lending created by section 17 of this act*
12 *and accounted for separately. The Commissioner shall use the*
13 *money for the purposes specified in subsection 2.*

14 **Sec. 13.** *Each deputy commissioner of mortgage lending*
15 *shall, before entering upon the discharge of his duties, take and*
16 *subscribe to the constitutional oath of office.*

17 **Sec. 14.** *The State Board of Finance shall act in an advisory*
18 *capacity to the Division in the administration of this chapter and*
19 *chapters 645A, 645B and 645E of NRS.*

20 **Sec. 15.** 1. *The Commissioner shall establish by regulation*
21 *rates to be paid by mortgage agents, mortgage brokers and*
22 *mortgage bankers for supervision and examinations by the*
23 *Commissioner or the Division.*

24 2. *In establishing a rate pursuant to subsection 1, the*
25 *Commissioner shall consider:*

26 (a) *The complexity of the various examinations to which the*
27 *rate applies;*

28 (b) *The skill required to conduct the examinations;*

29 (c) *The expenses associated with conducting the examination*
30 *and preparing a report; and*

31 (d) *Any other factors the Commissioner deems relevant.*

32 **Sec. 16.** 1. *The Commissioner shall collect an assessment*
33 *pursuant to this section from each:*

34 (a) *Escrow agent that is supervised pursuant to chapter 645A*
35 *of NRS;*

36 (b) *Mortgage broker that is supervised pursuant to chapter*
37 *645B of NRS; and*

38 (c) *Mortgage banker that is supervised pursuant to chapter*
39 *645E of NRS.*

40 2. *The Commissioner shall determine the total amount of all*
41 *assessments to be collected from the entities identified in*
42 *subsection 1, but that amount must not exceed the amount*
43 *necessary to recover the cost of legal services provided by the*
44 *Attorney General to the Commissioner and to the Division. The*
45 *total amount of all assessments collected must be reduced by any*



1 *amounts collected by the Commissioner from an entity for the*
2 *recovery of the costs of legal services provided by the Attorney*
3 *General in a specific case.*

4 *3. The Commissioner shall collect from each entity identified*
5 *in subsection 1 an assessment that is based on:*

6 *(a) An equal basis; or*

7 *(b) Any other reasonable basis adopted by the Commissioner.*

8 *4. The assessment required by this section is in addition to*
9 *any other assessment, fee or cost required by law to be paid by an*
10 *entity identified in subsection 1.*

11 *5. Money collected by the Commissioner pursuant to this*
12 *section must be deposited in the Fund for Mortgage Lending*
13 *created by section 17 of this act.*

14 **Sec. 17. 1.** *The Fund for Mortgage Lending is hereby*
15 *created in the State Treasury as a special revenue fund.*

16 *2. Except as otherwise provided by law, any money collected*
17 *by the Commissioner or Division pursuant to law:*

18 *(a) Must be deposited in the Fund for Mortgage Lending; and*

19 *(b) May only be used to:*

20 *(1) Carry out the programs and laws administered by the*
21 *Commissioner and the Division; and*

22 *(2) Pay the expenses related to the operations of the*
23 *Commissioner and the Division.*

24 *3. Except as otherwise provided by law, any money that*
25 *remains in the Fund for Mortgage Lending at the end of the fiscal*
26 *year does not revert to the State General Fund, and the balance of*
27 *the Fund for Mortgage Lending must be carried forward to the*
28 *next fiscal year.*

29 *4. The Commissioner shall administer the Fund for*
30 *Mortgage Lending. Any interest or income earned on the money*
31 *in the Fund must be credited to the Fund after deducting any*
32 *applicable charges. Any claims against the Fund must be paid as*
33 *other claims against the State are paid.*

34 **Sec. 18.** *NRS 645A.010 is hereby amended to read as follows:*
35 *645A.010 As used in this chapter, unless the context otherwise*
36 *requires:*

37 *1. "Commissioner" means the Commissioner of ~~{Financial~~*
38 *~~Institutions.}~~ **Mortgage Lending.***

39 *2. "Division" means the Division of ~~{Financial Institutions}~~*
40 ***Mortgage Lending** of the Department of Business and Industry.*

41 *3. "Escrow" means any transaction wherein one person, for the*
42 *purpose of effecting the sale, transfer, encumbering or leasing of*
43 *real or personal property to another person, delivers any written*
44 *instrument, money, evidence of title to real or personal property, or*
45 *other thing of value to a third person until the happening of a*



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1 specified event or the performance of a prescribed condition, when
2 it is then to be delivered by such third person to a grantee, grantor,
3 promisee, promisor, obligee, obligor, bailee, bailor or any agent or
4 employee of any of the latter. The term includes the collection of
5 payments and the performance of related services by a third person
6 in connection with a loan secured by a lien on real property.

7 4. "Escrow agency" means:

8 (a) Any person who employs one or more escrow agents; or

9 (b) An escrow agent who administers escrows on his own
10 behalf.

11 5. "Escrow agent" means any person engaged in the business
12 of administering escrows for compensation.

13 **Sec. 19.** NRS 645A.037 is hereby amended to read as follows:

14 645A.037 1. Except as otherwise provided in subsection 2, a
15 licensee may not conduct the business of administering escrows for
16 compensation within any office, suite, room or place of business in
17 which any other business is solicited or engaged in, except a notary
18 public, or in association or conjunction with any other business,
19 unless authority to do so is given by the Commissioner.

20 2. A licensee may conduct the business of administering
21 escrows pursuant to this chapter in the same office or place of
22 business as:

23 (a) A firm or corporation that is exempt from licensing as a
24 mortgage ~~company~~ **banker** pursuant to subsection 6 of
25 NRS 645E.150.

26 (b) A mortgage ~~company~~ **banker** if:

27 (1) The licensee and the mortgage ~~company~~ **banker**:

28 (I) Operate as separate legal entities;

29 (II) Maintain separate accounts, books and records;

30 (III) Are subsidiaries of the same parent corporation; and

31 (IV) Maintain separate licenses; and

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

36 **Sec. 20.** NRS 645A.040 is hereby amended to read as follows:

37 645A.040 1. Every license issued pursuant to the provisions
38 of this chapter expires on July 1 of each year if it is not renewed. A
39 license may be renewed by filing an application for renewal, paying
40 the annual fee for the succeeding year and, if the licensee is a
41 natural person, submitting the statement required pursuant to
42 NRS 645A.025.

43 2. The fees for the issuance or renewal of a license for an
44 escrow agency are:



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1 (a) For filing an application for an initial license, \$500 for the
2 principal office and \$100 for each branch office. ~~[All money~~
3 ~~received by the Commissioner pursuant to this paragraph must be~~
4 ~~placed in the Investigative Account created by NRS 232.545.]~~

5 (b) If the license is approved for issuance, \$200 for the principal
6 office and \$100 for each branch office. The fee must be paid before
7 issuance of the license.

8 (c) For filing an application for renewal, \$200 for the principal
9 office and \$100 for each branch office.

10 3. The fees for the issuance or renewal of a license for an
11 escrow agent are:

12 (a) For filing an application for an initial license or for the
13 renewal of a license, \$100.

14 (b) If a license is approved for issuance or renewal, \$25. The fee
15 must be paid before the issuance or renewal of the license.

16 4. If a licensee fails to submit the statement required pursuant
17 to NRS 645A.025 or pay the fee for the annual renewal of his
18 license before its expiration, his license may be renewed only upon
19 the payment of a fee one and one-half times the amount otherwise
20 required for renewal. A license may be renewed pursuant to this
21 subsection only if the required statement is submitted and all the
22 fees are paid within 1 year after the date on which the license
23 expired.

24 5. In addition to the other fees set forth in this section, each
25 applicant or licensee shall pay:

26 (a) For filing an application for a duplicate copy of any license,
27 upon satisfactory showing of its loss, \$10.

28 (b) For filing any change of information contained in the
29 application, \$10.

30 (c) For each change of association with an escrow agency, \$25.

31 6. Except as otherwise provided in this chapter, all fees
32 received pursuant to this chapter must be deposited in the ~~[State~~
33 ~~Treasury for credit to the State General Fund.]~~ *Fund for Mortgage*
34 *Lending created by section 17 of this act.*

35 **Sec. 21.** NRS 645A.040 is hereby amended to read as follows:

36 645A.040 1. Every license issued pursuant to the provisions
37 of this chapter expires on July 1 of each year if it is not renewed. A
38 license may be renewed by filing an application for renewal and
39 paying the annual fee for the succeeding year.

40 2. The fees for the issuance or renewal of a license for an
41 escrow agency are:

42 (a) For filing an application for an initial license, \$500 for the
43 principal office and \$100 for each branch office. ~~[All money~~
44 ~~received by the Commissioner pursuant to this paragraph must be~~
45 ~~placed in the Investigative Account created by NRS 232.545.]~~



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1 (b) If the license is approved for issuance, \$200 for the principal
2 office and \$100 for each branch office. The fee must be paid before
3 issuance of the license.

4 (c) For filing an application for renewal, \$200 for the principal
5 office and \$100 for each branch office.

6 3. The fees for the issuance or renewal of a license for an
7 escrow agent are:

8 (a) For filing an application for an initial license or for the
9 renewal of a license, \$100.

10 (b) If a license is approved for issuance or renewal, \$25. The fee
11 must be paid before the issuance or renewal of the license.

12 4. If a licensee fails to pay the fee for the annual renewal of his
13 license before its expiration, his license may be renewed only upon
14 the payment of a fee one and one-half times the amount otherwise
15 required for renewal. A license may be renewed pursuant to this
16 subsection only if all the fees are paid within 1 year after the date on
17 which the license expired.

18 5. In addition to the other fees set forth in this section, each
19 applicant or licensee shall pay:

20 (a) For filing an application for a duplicate copy of any license,
21 upon satisfactory showing of its loss, \$10.

22 (b) For filing any change of information contained in the
23 application, \$10.

24 (c) For each change of association with an escrow agency, \$25.

25 6. Except as otherwise provided in this chapter, all fees
26 received pursuant to this chapter must be deposited in the ~~[State~~
27 ~~Treasury for credit to the State General Fund.] Fund for Mortgage~~
28 ~~Lending created by section 17 of this act.~~

29 **Sec. 22.** NRS 645A.085 is hereby amended to read as follows:

30 645A.085 1. An escrow agency shall immediately notify the
31 Commissioner of any change in the ownership of 5 percent or more
32 of its outstanding voting stock.

33 2. An application must be submitted to the Commissioner,
34 pursuant to NRS 645A.020, by a person who acquires:

35 (a) At least 25 percent of the outstanding voting stock of an
36 escrow agency; or

37 (b) Any outstanding voting stock of an escrow agency if the
38 change will result in a change in the control of the escrow agency.

39 3. Except as otherwise provided in subsection 5, the
40 Commissioner shall conduct an investigation to determine whether
41 the applicant has the experience, character, financial condition,
42 business reputation and general fitness to command the confidence
43 of the public and to warrant the belief that the business conducted
44 will protect and safeguard the public. If the Commissioner denies



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1 the application, he may forbid the applicant from participating in the
2 business of the escrow agency.

3 4. The escrow agency with which the applicant is affiliated
4 shall pay a portion of the cost of the investigation as the
5 Commissioner requires. All money received by the Commissioner
6 pursuant to this section must be ~~placed in the Investigative Account~~
7 ~~created pursuant to NRS 232.545.~~ *deposited in the Fund for*
8 *Mortgage Lending created by section 17 of this act.*

9 5. An escrow agency may submit a written request to the
10 Commissioner to waive an investigation pursuant to subsection 3.
11 The Commissioner may grant a waiver if the applicant has
12 undergone a similar investigation by a state or federal agency in
13 connection with the licensing of or his employment with a financial
14 institution.

15 **Sec. 23.** NRS 645A.173 is hereby amended to read as follows:

16 645A.173 1. If an escrow for the sale of real property is
17 established, the holder of the escrow shall, on the date of
18 establishment of the escrow, record in writing the number and the
19 date of expiration of the:

20 (a) License issued pursuant to chapter 645 of NRS; or

21 (b) Certificate of cooperation issued pursuant to
22 NRS 645.605,

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

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

37 **Sec. 24.** Chapter 645B of NRS is hereby amended by adding
38 thereto the provisions set forth as sections 25 to 30, inclusive, of this
39 act.

40 **Sec. 25. 1.** *An advertising spokesperson for a mortgage*
41 *broker is jointly and severally liable with the mortgage broker for*
42 *damages caused by the mortgage broker by fraud, embezzlement,*
43 *misappropriation of property, a violation of the provisions of this*
44 *chapter or the regulations adopted pursuant thereto, or an action*
45 *of the mortgage broker that is grounds for disciplinary action, if:*



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

6 (b) *In advertising for the mortgage broker, the advertising*
7 *spokesperson knew or should have known that:*

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

11 (2) *The advertising spokesperson was disseminating*
12 *material information concerning the mortgage broker or the*
13 *business, products or services of the mortgage broker which was*
14 *false or misleading.*

15 2. *As used in this section:*

16 (a) *“Advertising for a mortgage broker” means advertising or*
17 *otherwise promoting a mortgage broker or the business, products*
18 *or services of the mortgage broker using any medium of*
19 *communication.*

20 (b) *“Advertising spokesperson for a mortgage broker” or*
21 *“advertising spokesperson” means a person who consents to and*
22 *receives compensation for using his name or likeness in*
23 *advertising for a mortgage broker.*

24 **Sec. 26.** *A person shall not act as or provide any of the*
25 *services of a mortgage agent or otherwise engage in, carry on or*
26 *hold himself out as engaging in or carrying on the activities of a*
27 *mortgage agent unless the person has a license as a mortgage*
28 *agent issued pursuant to section 27 of this act.*

29 **Sec. 27. 1.** *To obtain a license as a mortgage agent, a*
30 *person must:*

31 (a) *Be a natural person;*

32 (b) *File a written application for a license as a mortgage agent*
33 *with the office of the Commissioner;*

34 (c) *Comply with the applicable requirements of this chapter;*
35 *and*

36 (d) *Pay an application fee set by the Commissioner of not more*
37 *than \$185.*

38 2. *An application for a license as a mortgage agent must:*

39 (a) *Be verified;*

40 (b) *State the name and residence address of the applicant;*

41 (c) *Include a provision by which the applicant gives his written*
42 *consent to an investigation of his credit history, criminal history*
43 *and background;*

44 (d) *Include a verified statement from the mortgage broker with*
45 *whom the applicant will be associated that expresses the intent of*



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1 *that mortgage broker to associate the applicant with the mortgage*
2 *broker and to be responsible for the activities of the applicant as a*
3 *mortgage agent; and*

4 *(e) Include any other information or supporting materials*
5 *required pursuant to the regulations adopted by the Commissioner*
6 *or by an order of the Commissioner. Such information or*
7 *supporting materials may include, without limitation, a complete*
8 *set of fingerprints from the person and other forms of*
9 *identification of the person.*

10 *3. Except as otherwise provided in this chapter, the*
11 *Commissioner shall issue a license as a mortgage agent to an*
12 *applicant if:*

13 *(a) The application complies with the applicable requirements*
14 *of this chapter; and*

15 *(b) The applicant:*

16 *(1) Has not been convicted of, or entered a plea of nolo*
17 *contendere to, a felony or any crime involving fraud,*
18 *misrepresentation or moral turpitude;*

19 *(2) Has not had a financial services license suspended or*
20 *revoked within the immediately preceding 10 years;*

21 *(3) Has not made a false statement of material fact on his*
22 *application;*

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

26 *(5) Has a good reputation for honesty, trustworthiness and*
27 *integrity and displays competence to transact the business of a*
28 *mortgage agent in a manner which safeguards the interests of the*
29 *general public. The applicant must submit satisfactory proof of*
30 *these qualifications to the Commissioner.*

31 *4. Money received by the Commissioner pursuant to this*
32 *section must be deposited in the Fund for Mortgage Lending*
33 *created by section 17 of this act.*

34 **Sec. 28. 1.** *A license as a mortgage agent issued pursuant*
35 *to section 27 of this act expires 1 year after the date the license is*
36 *issued, unless it is renewed. To renew a license as a mortgage*
37 *agent, the holder of the license must submit to the Commissioner*
38 *each year, on or before the date the license expires:*

39 *(a) An application for renewal;*

40 *(b) Except as otherwise provided in this section, satisfactory*
41 *proof that the holder of the license as a mortgage agent attended*
42 *at least 10 hours of certified courses of continuing education*
43 *during the 12 months immediately preceding the date on which the*
44 *license expires; and*



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1 (c) *A renewal fee set by the Commissioner of not more than*
2 *\$170.*

3 2. *If the holder of the license as a mortgage agent fails to*
4 *submit any item required pursuant to subsection 1 to the*
5 *Commissioner each year on or before the date the license expires,*
6 *the license is cancelled. The Commissioner may reinstate a*
7 *cancelled license if the holder of the license submits to the*
8 *Commissioner:*

9 (a) *An application for renewal;*

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

12 (c) *A reinstatement fee of \$75.*

13 3. *To be issued a duplicate copy of a license as a mortgage*
14 *agent, a person must make a satisfactory showing of its loss and*
15 *pay a fee of \$10.*

16 4. *To change the mortgage broker with whom the mortgage*
17 *agent is associated, a person must pay a fee of \$10.*

18 5. *Money received by the Commissioner pursuant to this*
19 *section must be deposited in the Fund for Mortgage Lending*
20 *created by section 17 of this act.*

21 6. *The Commissioner may provide by regulation that any*
22 *hours of a certified course of continuing education attended*
23 *during a 12-month period, but not needed to satisfy a requirement*
24 *set forth in this section for the 12-month period in which the hours*
25 *were taken, may be used to satisfy a requirement set forth in this*
26 *section for a later 12-month period.*

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

29 **Sec. 29.** 1. *In addition to any other requirement for the*
30 *issuance of a license as a mortgage agent pursuant to section 27 of*
31 *this act, an applicant for the issuance of the license must include*
32 *his social security number in his application.*

33 2. *In addition to any other requirement for the issuance or*
34 *renewal of a license as a mortgage agent pursuant to section 27 or*
35 *28 of this act, an applicant for the issuance or renewal of the*
36 *license shall submit to the Commissioner the statement prescribed*
37 *by the Welfare Division of the Department of Human Resources*
38 *pursuant to NRS 425.520. The statement must be completed and*
39 *signed by the applicant.*

40 3. *The Commissioner shall include the statement required*
41 *pursuant to subsection 2 in:*

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

44 (b) *A separate form prescribed by the Commissioner.*



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1 4. The license as a mortgage agent may not be issued or
2 renewed by the Commissioner if the applicant:

3 (a) Fails to submit the statement required pursuant to
4 subsection 2; or

5 (b) Indicates on the statement submitted pursuant to
6 subsection 2 that he is subject to a court order for the support of a
7 child and is not in compliance with the order or a plan approved
8 by the district attorney or other public agency enforcing the order
9 for the repayment of the amount owed pursuant to the order.

10 5. If an applicant indicates on the statement submitted
11 pursuant to subsection 2 that he is subject to a court order for the
12 support of a child and is not in compliance with the order or a
13 plan approved by the district attorney or other public agency
14 enforcing the order for the repayment of the amount owed
15 pursuant to the order, the Commissioner shall advise the applicant
16 to contact the district attorney or other public agency enforcing
17 the order to determine the actions that the applicant may take to
18 satisfy the arrearage.

19 **Sec. 30.** 1. Any mortgage broker or mortgage agent
20 licensed under the provisions of this chapter who is called into the
21 military service of the United States shall, at his request, be
22 relieved from compliance with the provisions of this chapter and
23 placed on inactive status for the period of such military service
24 and for a period of 6 months after discharge therefrom.

25 2. At any time within 6 months after termination of such
26 service, if the mortgage broker or mortgage agent complies with
27 the provisions of subsection 1, the mortgage broker or mortgage
28 agent may be reinstated, without having to meet any qualification
29 or requirement other than the payment of the reinstatement fee, as
30 provided in NRS 645B.050 or section 28 of this act, and the
31 mortgage broker or mortgage agent is not required to make
32 payment of the renewal fee for the current year.

33 3. Any mortgage broker or mortgage agent seeking to qualify
34 for reinstatement, as provided in subsections 1 and 2, must present
35 a certified copy of his honorable discharge or certificate of
36 satisfactory service to the Commissioner.

37 **Sec. 31.** NRS 645B.010 is hereby amended to read as follows:
38 645B.010 As used in this chapter, unless the context otherwise
39 requires, the words and terms defined in NRS ~~[645B.0103]~~
40 **645B.0105** to 645B.0135, inclusive, have the meanings ascribed to
41 them in those sections.

42 **Sec. 32.** NRS 645B.0105 is hereby amended to read as
43 follows:

44 645B.0105 "Commissioner" means the Commissioner of
45 ~~[Financial Institutions.]~~ **Mortgage Lending.**



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1 **Sec. 33.** NRS 645B.0111 is hereby amended to read as
2 follows:

3 645B.0111 “Division” means the Division of ~~{Financial~~
4 ~~Institutions}~~ *Mortgage Lending* of the Department of Business and
5 Industry.

6 **Sec. 34.** NRS 645B.0123 is hereby amended to read as
7 follows:

8 645B.0123 “Licensee” means a person who is licensed as a
9 mortgage broker pursuant to this chapter. *The term does not include*
10 *a person issued a license as a mortgage agent pursuant to section*
11 *27 of this act.*

12 **Sec. 35.** NRS 645B.0127 is hereby amended to read as
13 follows:

14 645B.0127 1. “Mortgage broker” means a person who,
15 directly or indirectly:

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

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

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

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

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

29 2. The term does not include a person who is licensed as a
30 mortgage ~~{company}~~ *banker*, as defined in NRS 645E.100, unless
31 the person is also licensed as a mortgage broker pursuant to this
32 chapter.

33 **Sec. 36.** NRS 645B.015 is hereby amended to read as follows:

34 645B.015 Except as otherwise provided in NRS 645B.016, the
35 provisions of this chapter do not apply to:

36 1. Any person doing business under the laws of this state, any
37 other state or the United States relating to banks, savings banks,
38 trust companies, savings and loan associations, consumer finance
39 companies, industrial loan companies, credit unions, thrift
40 companies or insurance companies, unless the business conducted in
41 this state is not subject to supervision by the regulatory authority of
42 the other jurisdiction, in which case licensing pursuant to this
43 chapter is required.

44 2. A real estate investment trust, as defined in 26 U.S.C. § 856,
45 unless the business conducted in this state is not subject to



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1 supervision by the regulatory authority of the other jurisdiction, in
2 which case licensing pursuant to this chapter is required.

3 3. An employee benefit plan, as defined in 29 U.S.C. §
4 1002(3), if the loan is made directly from money in the plan by the
5 plan's trustee.

6 4. An attorney at law rendering services in the performance of
7 his duties as an attorney at law.

8 5. A real estate broker rendering services in the performance of
9 his duties as a real estate broker.

10 6. Except as otherwise provided in this subsection and NRS
11 645B.690, any firm or corporation ~~[-~~

12 ~~—(a) Whose principal]~~, *or wholly owned subsidiary thereof, the*
13 *sole* purpose or activity *of which* is lending money on real property
14 ~~[which is]~~ secured by a mortgage ~~[-~~

15 ~~—(b) Approved]~~ *pursuant to approvals* by the Federal National
16 Mortgage Association, ~~[as a seller and servicer; and~~

17 ~~—(c) Approved by]~~ the Department of Housing and Urban
18 Development and the Department of Veterans Affairs. A firm or
19 corporation is not exempt from the provisions of this chapter
20 pursuant to this subsection if it maintains any accounts described in
21 subsection 1 of NRS 645B.175 or if it offers for sale in this state any
22 unregistered security under state or federal law and purports to make
23 investments in promissory notes secured by liens on real property. A
24 firm or corporation which is exempted pursuant to this subsection
25 must submit annually as a condition of its continued exemption a
26 certified statement by an independent certified public accountant
27 that the firm or corporation does not maintain any such accounts.
28 This subsection does not prohibit an exempt firm or corporation
29 from maintaining accounts described in NRS 645B.170 and
30 subsection 4 of NRS 645B.175.

31 7. Any person doing any act under an order of any court.

32 8. Any one natural person, or husband and wife, who provides
33 money for investment in loans secured by a lien on real property, on
34 his own account, unless such a person makes a loan secured by a
35 lien on real property using his own money and assigns all or a part
36 of his interest in the loan to another person, other than his spouse or
37 child, within 5 years after the date on which the loan is made or the
38 deed of trust is recorded, whichever occurs later.

39 9. Agencies of the United States and of this state and its
40 political subdivisions, including the Public Employees' Retirement
41 System.

42 10. A seller of real property who offers credit secured by a
43 mortgage of the property sold.

44 **Sec. 37.** NRS 645B.016 is hereby amended to read as follows:

45 645B.016 Except as otherwise provided in NRS 645B.690:



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- 1 1. A person who claims an exemption from the provisions of
2 this chapter pursuant to subsection 1 or 6 of NRS 645B.015 must:
- 3 (a) File a written application for a certificate of exemption with
4 the office of the Commissioner;
- 5 (b) Pay the fee required pursuant to NRS 645B.050; and
- 6 (c) Include with the written application satisfactory proof that
7 the person meets the requirements of subsection 1 or 6 of
8 NRS 645B.015.
- 9 2. The Commissioner may require a person who claims an
10 exemption from the provisions of this chapter pursuant to
11 subsections 2 to 5, inclusive, or 7 to 10, inclusive, of NRS 645B.015
12 to:
- 13 (a) File a written application for a certificate of exemption with
14 the office of the Commissioner;
- 15 (b) Pay the fee required pursuant to NRS 645B.050; and
- 16 (c) Include with the written application satisfactory proof that
17 the person meets the requirements of at least one of those
18 exemptions.
- 19 3. A certificate of exemption expires automatically if, at any
20 time, the person who claims the exemption no longer meets the
21 requirements of at least one exemption set forth in the provisions of
22 NRS 645B.015.
- 23 4. If a certificate of exemption expires automatically pursuant
24 to this section, the person shall not provide any of the services of a
25 mortgage broker *or mortgage agent* or otherwise engage in, carry
26 on or hold himself out as engaging in or carrying on the business of
27 a mortgage broker ~~or~~ *or mortgage agent* unless the person applies
28 for and is issued:
- 29 (a) A license as a mortgage broker *or mortgage agent, as*
30 *applicable*, pursuant to this chapter; or
- 31 (b) Another certificate of exemption.
- 32 5. The Commissioner may impose upon a person who is
33 required to apply for a certificate of exemption or who holds a
34 certificate of exemption an administrative fine of not more than
35 \$10,000 for each violation that he commits, if the person:
- 36 (a) Has knowingly made or caused to be made to the
37 Commissioner any false representation of material fact;
- 38 (b) Has suppressed or withheld from the Commissioner any
39 information which the person possesses and which, if submitted by
40 him, would have rendered the person ineligible to hold a certificate
41 of exemption; or
- 42 (c) Has violated any provision of this chapter, a regulation
43 adopted pursuant to this chapter or an order of the Commissioner
44 that applies to a person who is required to apply for a certificate of
45 exemption or who holds a certificate of exemption.



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1 **Sec. 38.** NRS 645B.035 is hereby amended to read as follows:
2 645B.035 1. A license *as a mortgage broker* entitles a
3 licensee to engage only in the activities authorized by this chapter.

4 2. The provisions of this chapter do not prohibit a licensee
5 from:

6 (a) Holding a license as a mortgage ~~company~~ *banker* pursuant
7 to chapter 645E of NRS; or

8 (b) Conducting the business of a mortgage ~~company~~ *banker*
9 and the business of a mortgage broker in the same office or place of
10 business.

11 **Sec. 39.** NRS 645B.050 is hereby amended to read as follows:

12 645B.050 1. A license *as a mortgage broker* issued pursuant
13 to this chapter expires each year on June 30, unless it is renewed. To
14 renew *such* a license, the licensee must submit to the Commissioner
15 on or before ~~June 30~~ *May 31* of each year:

16 (a) An application for renewal;

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

19 (c) If the licensee is a natural person, the statement required
20 pursuant to NRS 645B.023; and

21 (d) The information required pursuant to NRS 645B.051.

22 2. If the licensee fails to submit any item required pursuant to
23 subsection 1 to the Commissioner on or before ~~June 30~~ *May 31* of
24 any year, the license is cancelled ~~as of June 30 of that year~~. The
25 Commissioner may reinstate a cancelled license if the licensee
26 submits to the Commissioner:

27 (a) An application for renewal;

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

30 (c) If the licensee is a natural person, the statement required
31 pursuant to NRS 645B.023;

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

33 (e) Except as otherwise provided in this section, a reinstatement
34 fee of \$200.

35 3. Except as otherwise provided in NRS 645B.016, a certificate
36 of exemption issued pursuant to this chapter expires each year on
37 December 31, unless it is renewed. To renew a certificate of
38 exemption, a person must submit to the Commissioner on or before
39 ~~December 31~~ *November 30* of each year:

40 (a) An application for renewal that includes satisfactory proof
41 that the person meets the requirements for an exemption from the
42 provisions of this chapter; and

43 (b) The fee required to renew the certificate of exemption.

44 4. If the person fails to submit any item required pursuant to
45 subsection 3 to the Commissioner on or before ~~December 31~~



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1 *November 30* of any year, the certificate of exemption is cancelled
2 ~~[]~~ *as of December 31 of that year.* Except as otherwise provided in
3 NRS 645B.016, the Commissioner may reinstate a cancelled
4 certificate of exemption if the person submits to the Commissioner:

5 (a) An application for renewal that includes satisfactory proof
6 that the person meets the requirements for an exemption from the
7 provisions of this chapter;

8 (b) The fee required to renew the certificate of exemption; and

9 (c) Except as otherwise provided in this section, a reinstatement
10 fee of \$100.

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

14 (a) To file an original application or a license, \$1,500 for the
15 principal office and \$40 for each branch office. The person must
16 also pay such additional expenses incurred in the process of
17 investigation as the Commissioner deems necessary. ~~[All money~~
18 ~~received by the Commissioner pursuant to this paragraph must be~~
19 ~~placed in the Investigative Account created by NRS 232.545.]~~

20 (b) To be issued a license, \$1,000 for the principal office and
21 \$60 for each branch office.

22 (c) To renew a license, \$500 for the principal office and \$100
23 for each branch office.

24 6. Except as otherwise provided in this section, a person must
25 pay the following fees to apply for or to renew a certificate of
26 exemption pursuant to this chapter:

27 (a) To file an application for a certificate of exemption, \$200.

28 (b) To renew a certificate of exemption, \$100.

29 7. To be issued a duplicate copy of any license or certificate of
30 exemption, a person must make a satisfactory showing of its loss
31 and pay a fee of \$10.

32 8. Except as otherwise provided in this chapter, all fees
33 received pursuant to this chapter must be deposited in the ~~[State~~
34 ~~Treasury for credit to the State General Fund.]~~ *Fund for Mortgage*
35 *Lending created by section 17 of this act.*

36 9. The Commissioner may, by regulation, increase any fee set
37 forth in this section if the Commissioner determines that such an
38 increase is necessary for the Commissioner to carry out his duties
39 pursuant to this chapter. The amount of any increase in a fee
40 pursuant to this subsection must not exceed the amount determined
41 to be necessary for the Commissioner to carry out his duties
42 pursuant to this chapter.

43 **Sec. 40.** NRS 645B.050 is hereby amended to read as follows:

44 645B.050 1. A license *as a mortgage broker* issued pursuant
45 to this chapter expires each year on June 30, unless it is renewed. To



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1 renew *such* a license, the licensee must submit to the Commissioner
2 on or before ~~June 30~~ *May 31* of each year:

3 (a) An application for renewal;

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

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

7 2. If the licensee fails to submit any item required pursuant to
8 subsection 1 to the Commissioner on or before ~~June 30~~ *May 31* of
9 any year, the license is cancelled ~~as of June 30 of that year~~. The
10 Commissioner may reinstate a cancelled license if the licensee
11 submits to the Commissioner:

12 (a) An application for renewal;

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

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

16 (d) Except as otherwise provided in this section, a reinstatement
17 fee of \$200.

18 3. Except as otherwise provided in NRS 645B.016, a certificate
19 of exemption issued pursuant to this chapter expires each year on
20 December 31, unless it is renewed. To renew a certificate of
21 exemption, a person must submit to the Commissioner on or before
22 ~~December 31~~ *November 30* of each year:

23 (a) An application for renewal that includes satisfactory proof
24 that the person meets the requirements for an exemption from the
25 provisions of this chapter; and

26 (b) The fee required to renew the certificate of exemption.

27 4. If the person fails to submit any item required pursuant to
28 subsection 3 to the Commissioner on or before ~~December 31~~
29 *November 30* of any year, the certificate of exemption is cancelled
30 ~~as of December 31 of that year~~. Except as otherwise provided in
31 NRS 645B.016, the Commissioner may reinstate a cancelled
32 certificate of exemption if the person submits to the Commissioner:

33 (a) An application for renewal that includes satisfactory proof
34 that the person meets the requirements for an exemption from the
35 provisions of this chapter;

36 (b) The fee required to renew the certificate of exemption; and

37 (c) Except as otherwise provided in this section, a reinstatement
38 fee of \$100.

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

42 (a) To file an original application for a license, \$1,500 for the
43 principal office and \$40 for each branch office. The person must
44 also pay such additional expenses incurred in the process of
45 investigation as the Commissioner deems necessary. ~~All money~~



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1 ~~received by the Commissioner pursuant to this paragraph must be~~
2 ~~placed in the Investigative Account created by NRS 232.545.]~~

3 (b) To be issued a license, \$1,000 for the principal office and
4 \$60 for each branch office.

5 (c) To renew a license, \$500 for the principal office and \$100
6 for each branch office.

7 6. Except as otherwise provided in this section, a person must
8 pay the following fees to apply for or to renew a certificate of
9 exemption pursuant to this chapter:

10 (a) To file an application for a certificate of exemption, \$200.

11 (b) To renew a certificate of exemption, \$100.

12 7. To be issued a duplicate copy of any license or certificate of
13 exemption, a person must make a satisfactory showing of its loss
14 and pay a fee of \$10.

15 8. Except as otherwise provided in this chapter, all fees
16 received pursuant to this chapter must be deposited in the ~~[State~~
17 ~~Treasury for credit to the State General Fund.]~~ *Fund for Mortgage*
18 *Lending created by section 17 of this act.*

19 9. The Commissioner may, by regulation, increase any fee set
20 forth in this section if the Commissioner determines that such an
21 increase is necessary for the Commissioner to carry out his duties
22 pursuant to this chapter. The amount of any increase in a fee
23 pursuant to this subsection must not exceed the amount determined
24 to be necessary for the Commissioner to carry out his duties
25 pursuant to this chapter.

26 **Sec. 41.** NRS 645B.051 is hereby amended to read as follows:

27 645B.051 1. ~~[An]~~ *Except as otherwise provided in this*
28 *section, in* addition to the requirements set forth in NRS 645B.050,
29 to renew a license ~~[:]~~ *as a mortgage broker:*

30 (a) If the licensee is a natural person, the licensee must submit to
31 the Commissioner satisfactory proof that the licensee attended at
32 least ~~[5]~~ *10* hours of certified courses of continuing education during
33 the 12 months immediately preceding the date on which the license
34 expires.

35 (b) If the licensee is not a natural person, the licensee must
36 submit to the Commissioner satisfactory proof that each natural
37 person who supervises the daily business of the licensee attended at
38 least ~~[5]~~ *10* hours of certified courses of continuing education during
39 the 12 months immediately preceding the date on which the license
40 expires.

41 2. *The Commissioner may provide by regulation that any*
42 *hours of a certified course of continuing education attended*
43 *during a 12-month period, but not needed to satisfy a requirement*
44 *set forth in this section for the 12-month period in which the*



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1 *course was taken, may be used to satisfy a requirement set forth in*
2 *this section for a later 12-month period.*

3 3. As used in this section, "certified course of continuing
4 education" means a course of continuing education which relates to
5 the mortgage industry or mortgage transactions and which is ~~is~~:

6 ~~(a) Certified by the~~ *certified by:*

7 (a) *The* National Association of Mortgage Brokers or any
8 successor in interest to that organization; or

9 (b) ~~[Certified in a manner established by the Commissioner, if~~
10 ~~the National Association of Mortgage Brokers or any successor in~~
11 ~~interest to that organization ceases to exist.]~~ *Any organization*
12 *designated for this purpose by the Commissioner by regulation.*

13 **Sec. 42.** NRS 645B.060 is hereby amended to read as follows:

14 645B.060 1. Subject to the administrative control of the
15 Director of the Department of Business and Industry, the
16 Commissioner shall exercise general supervision and control over
17 mortgage brokers *and mortgage agents* doing business in this state.

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

20 (a) Adopt any regulations that are necessary to carry out the
21 provisions of this chapter, except as to loan brokerage fees.

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

26 (c) Conduct an annual examination of each mortgage broker
27 doing business in this state. The annual examination must include,
28 without limitation, a formal exit review with the mortgage broker.
29 The Commissioner shall adopt regulations prescribing:

30 (1) Standards for determining the rating of each mortgage
31 broker based upon the results of the annual examination; and

32 (2) Procedures for resolving any objections made by the
33 mortgage broker to the results of the annual examination. The
34 results of the annual examination may not be opened to public
35 inspection pursuant to NRS 645B.090 until any objections made by
36 the mortgage broker have been decided by the Commissioner.

37 (d) Conduct such other examinations, periodic or special audits,
38 investigations and hearings as may be necessary and proper for the
39 efficient administration of the laws of this state regarding mortgage
40 brokers and mortgage agents. The Commissioner shall adopt
41 regulations specifying the general guidelines that will be followed
42 when a periodic or special audit of a mortgage broker is conducted
43 pursuant to this chapter.

44 (e) Classify as confidential certain records and information
45 obtained by the Division when those matters are obtained from a



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1 governmental agency upon the express condition that they remain
2 confidential. This paragraph does not limit examination by the
3 Legislative Auditor.

4 (f) Conduct such examinations and investigations as are
5 necessary to ensure that mortgage brokers *and mortgage agents*
6 meet the requirements of this chapter for obtaining a license, both at
7 the time of the application for a license and thereafter on a
8 continuing basis.

9 3. For each special audit, investigation or examination, a
10 mortgage broker *or mortgage agent* shall pay a fee based on the rate
11 established pursuant to ~~[NRS 658.101.]~~ *section 15 of this act.*

12 **Sec. 43.** NRS 645B.450 is hereby amended to read as follows:

13 645B.450 1. ~~[A person shall not act as or provide any of the~~
14 ~~services of a mortgage agent or otherwise engage in, carry on or~~
15 ~~hold himself out as engaging in or carrying on the activities of a~~
16 ~~mortgage agent if the person:~~

17 ~~—(a) Has been convicted of, or entered a plea of nolo contendere~~
18 ~~to, a felony or any crime involving fraud, misrepresentation or~~
19 ~~moral turpitude; or~~

20 ~~—(b) Has had a financial services license or registration suspended~~
21 ~~or revoked within the immediately preceding 10 years.~~

22 ~~—2.]~~ *A person licensed as a mortgage agent pursuant to the*
23 *provisions of section 27 of this act* may not be associated with or
24 employed by more than one mortgage broker at the same time.

25 ~~[3.—A mortgage broker shall register with the Division each~~
26 ~~person who will be associated with or employed by the mortgage~~
27 ~~broker as a mortgage agent. A mortgage broker shall register each~~
28 ~~such person with the Division when the person begins his~~
29 ~~association or employment with the mortgage broker and annually~~
30 ~~thereafter. A registration expires 12 months after its effective date.~~

31 ~~—4.—To register a person as a mortgage agent, a mortgage broker~~
32 ~~must:~~

33 ~~—(a) Submit to the Division a registration form which is provided~~
34 ~~by the Division and which:~~

35 ~~—(1) States the name, residence address and business address of~~
36 ~~the person;~~

37 ~~—(2) Is signed by the person;~~

38 ~~—(3) Includes a provision by which the person gives his~~
39 ~~written consent to an investigation of his credit history, criminal~~
40 ~~history and background; and~~

41 ~~—(4) Includes any other information or supporting materials~~
42 ~~required by the regulations adopted by the Commissioner. Such~~
43 ~~information or supporting materials may include, without limitation,~~
44 ~~a complete set of fingerprints from the person, the social security~~
45 ~~number of the person and other forms of identification of the person.~~



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1 ~~—(b) For each initial registration, pay the actual costs and~~
2 ~~expenses incurred by the Division to investigate the credit history,~~
3 ~~criminal history and background of the person. All money received~~
4 ~~pursuant to this paragraph must be placed in the Investigative~~
5 ~~Account created by NRS 232.545.~~

6 ~~—(c) For each annual registration, submit to the Division~~
7 ~~satisfactory proof that the person attended at least 5 hours of~~
8 ~~certified courses of continuing education during the 12 months~~
9 ~~immediately preceding the date on which the registration expires.~~

10 ~~—5. Not later than the date on which the mortgage broker~~
11 ~~submits the information for annual registration required by~~
12 ~~subsection 4, the person being registered shall pay an annual~~
13 ~~registration fee of \$125. If the person does not pay the annual~~
14 ~~registration fee, the person shall be deemed to be unregistered for~~
15 ~~the purposes of this chapter.~~

16 ~~—6.}~~ 2. A mortgage broker shall not *associate with or* employ a
17 person as a mortgage agent or authorize a person to be associated
18 with the mortgage broker as a mortgage agent if the mortgage
19 ~~[broker has not registered the person]~~ *agent is not licensed* with the
20 Division pursuant to ~~[this section or if the person:~~

21 ~~—(a) Has been convicted of, or entered a plea of nolo contendere~~
22 ~~to, a felony or any crime involving fraud, misrepresentation or~~
23 ~~moral turpitude; or~~

24 ~~—(b) Has had a financial services license or registration suspended~~
25 ~~or revoked within the immediately preceding 10 years.~~

26 ~~—7.}~~ *section 27 of this act.*

27 3. If a mortgage agent terminates his association or
28 employment with a mortgage broker for any reason, the mortgage
29 broker shall, not later than the third business day following the date
30 of termination:

31 (a) Deliver to the mortgage agent or send by certified mail to the
32 last known residence address of the mortgage agent a written
33 statement which advises him that his termination is being reported
34 to the Division; and

35 (b) Deliver or send by certified mail to the Division:

36 (1) *The license or license number of the mortgage agent;*

37 (2) A written statement of the circumstances surrounding the
38 termination; and

39 ~~[(2)]~~ (3) A copy of the written statement that the mortgage
40 broker delivers or mails to the mortgage agent pursuant to
41 paragraph (a).

42 ~~[8. As used in this section, “certified course of continuing~~
43 ~~education” has the meaning ascribed to it in NRS 645B.051.]~~



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1 **Sec. 44.** NRS 645B.620 is hereby amended to read as follows:
2 645B.620 1. Whether or not a complaint has been filed, the
3 Commissioner shall investigate a mortgage broker , *mortgage agent*
4 or other person if, for any reason, it appears that:

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

9 (b) The person is offering or providing any of the services of a
10 mortgage broker *or mortgage agent* or otherwise engaging in,
11 carrying on or holding himself out as engaging in or carrying on the
12 business of a mortgage broker *or mortgage agent* without being
13 *appropriately* licensed or exempt from licensing pursuant to the
14 provisions of this chapter; or

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

18 2. If, upon investigation, the Commissioner has reasonable
19 cause to believe that the mortgage broker , *mortgage agent* or other
20 person has engaged in any conduct or committed any violation
21 described in subsection 1:

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

26 (b) The Attorney General shall, if appropriate:

27 (1) Investigate and prosecute the mortgage broker , *mortgage*
28 *agent* or other person pursuant to NRS 645B.800; and

29 (2) Bring a civil action to:

30 (I) Enjoin the mortgage broker , *mortgage agent* or other
31 person from engaging in the conduct, operating the business or
32 committing the violation; and

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

38 3. If the Attorney General brings a civil action pursuant to
39 subsection 2, the district court of any county of this state is hereby
40 vested with the jurisdiction in equity to enjoin the conduct, the
41 operation of the business or the commission of the violation and
42 may grant any injunctions that are necessary to prevent and restrain
43 the conduct, the operation of the business or the commission of the
44 violation. During the pendency of the proceedings before the district
45 court:



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

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

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

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

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

13 **Sec. 45.** NRS 645B.670 is hereby amended to read as follows:
14 645B.670 Except as otherwise provided in NRS 645B.690:

15 1. For each violation committed by an applicant ~~§~~ *for a*
16 *license issued pursuant to this chapter*, whether or not he is issued
17 a license, the Commissioner may impose upon the applicant an
18 administrative fine of not more than \$10,000, if the applicant:

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

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

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

29 2. For each violation committed by a licensee, the
30 Commissioner may impose upon the licensee an administrative fine
31 of not more than \$10,000, may suspend, revoke or place conditions
32 upon his license, or may do both, if the licensee, whether or not
33 acting as such:

34 (a) Is insolvent;

35 (b) Is grossly negligent or incompetent in performing any act for
36 which he is required to be licensed pursuant to the provisions of this
37 chapter;

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

41 (d) Is in such financial condition that he cannot continue in
42 business with safety to his customers;

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



- 1 (f) Has suppressed or withheld from a client any material facts,
2 data or other information relating to any transaction governed by the
3 provisions of this chapter which the licensee knew or, by the
4 exercise of reasonable diligence, should have known;
- 5 (g) Has knowingly made or caused to be made to the
6 Commissioner any false representation of material fact or has
7 suppressed or withheld from the Commissioner any information
8 which the licensee possesses and which, if submitted by him, would
9 have rendered the licensee ineligible to be licensed pursuant to the
10 provisions of this chapter;
- 11 (h) Has failed to account to persons interested for all money
12 received for a trust account;
- 13 (i) Has refused to permit an examination by the Commissioner
14 of his books and affairs or has refused or failed, within a reasonable
15 time, to furnish any information or make any report that may be
16 required by the Commissioner pursuant to the provisions of this
17 chapter or a regulation adopted pursuant to this chapter;
- 18 (j) Has been convicted of, or entered a plea of nolo contendere
19 to, a felony or any crime involving fraud, misrepresentation or
20 moral turpitude;
- 21 (k) Has refused or failed to pay, within a reasonable time, any
22 fees, assessments, costs or expenses that the licensee is required to
23 pay pursuant to this chapter or a regulation adopted pursuant to this
24 chapter;
- 25 (l) Has failed to satisfy a claim made by a client which has been
26 reduced to judgment;
- 27 (m) Has failed to account for or to remit any money of a client
28 within a reasonable time after a request for an accounting or
29 remittal;
- 30 (n) Has commingled the money or other property of a client
31 with his own or has converted the money or property of others to his
32 own use;
- 33 (o) Has engaged in any other conduct constituting a deceitful,
34 fraudulent or dishonest business practice;
- 35 (p) Has repeatedly violated the policies and procedures of the
36 mortgage broker;
- 37 (q) Has failed to exercise reasonable supervision over the
38 activities of a mortgage agent as required by NRS 645B.460;
- 39 (r) Has instructed a mortgage agent to commit an act that would
40 be cause for the revocation of the license of the mortgage broker,
41 whether or not the mortgage agent commits the act;
- 42 (s) Has employed a person as a mortgage agent or authorized a
43 person to be associated with the licensee as a mortgage agent at a
44 time when the licensee knew or, in light of all the surrounding facts
45 and circumstances, reasonably should have known that the person:



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1 (1) Had been convicted of, or entered a plea of nolo
2 contendere to, a felony or any crime involving fraud,
3 misrepresentation or moral turpitude; or

4 (2) Had a financial services license or registration suspended
5 or revoked within the immediately preceding 10 years; or

6 (t) Has not conducted verifiable business as a mortgage broker
7 for 12 consecutive months, except in the case of a new applicant.
8 The Commissioner shall determine whether a mortgage broker is
9 conducting business by examining the monthly reports of activity
10 submitted by the licensee or by conducting an examination of the
11 licensee.

12 **Sec. 46.** NRS 645B.680 is hereby amended to read as follows:

13 645B.680 1. If the Commissioner receives a copy of a court
14 order issued pursuant to NRS 425.540 that provides for the
15 suspension of all professional, occupational and recreational
16 licenses, certificates and permits issued to a person who is the
17 holder of a license as a mortgage broker ~~H~~ *or mortgage agent*, the
18 Commissioner shall deem the license issued to that person to be
19 suspended at the end of the 30th day after the date on which the
20 court order was issued unless the Commissioner receives a letter
21 issued to the holder of the license by the district attorney or other
22 public agency pursuant to NRS 425.550 stating that the holder of the
23 license has complied with the subpoena or warrant or has satisfied
24 the arrearage pursuant to NRS 425.560.

25 2. The Commissioner shall reinstate a license as a mortgage
26 broker *or mortgage agent* that has been suspended by a district
27 court pursuant to NRS 425.540 if the Commissioner receives a letter
28 issued by the district attorney or other public agency pursuant to
29 NRS 425.550 to the person whose license was suspended stating
30 that the person whose license was suspended has complied with the
31 subpoena or warrant or has satisfied the arrearage pursuant to
32 NRS 425.560.

33 **Sec. 47.** NRS 645B.690 is hereby amended to read as follows:

34 645B.690 1. If a person offers or provides any of the services
35 of a mortgage broker *or mortgage agent* or otherwise engages in,
36 carries on or holds himself out as engaging in or carrying on the
37 business of a mortgage broker *or mortgage agent* and, at the time:

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

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

42 the Commissioner shall impose upon the person an administrative
43 fine of not more than \$10,000 for each violation and, if the person
44 has a license, the Commissioner shall revoke it.



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1 2. If a person is exempt from the provisions of this chapter
2 pursuant to subsection 6 of NRS 645B.015 and the person, while
3 exempt, maintains, offers to maintain or holds himself out as
4 maintaining any accounts described in subsection 1 of NRS
5 645B.175 or otherwise engages in, offers to engage in or holds
6 himself out as engaging in any activity that would remove the
7 person from the exemption set forth in subsection 6 of NRS
8 645B.015, the Commissioner shall impose upon the person an
9 administrative fine of not more than \$10,000 for each violation and
10 the Commissioner shall revoke the person's exemption. If the
11 Commissioner revokes an exemption pursuant to this subsection, the
12 person may not again be granted the same or a similar exemption
13 from the provisions of this chapter. The person may apply for a
14 license pursuant to this chapter unless otherwise prohibited by
15 specific statute.

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

26 (a) Impose upon the mortgage broker an administrative fine of
27 not more than \$10,000 for each violation;

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

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

34 **Sec. 48.** NRS 645B.900 is hereby amended to read as follows:

35 645B.900 It is unlawful for any person to offer or provide any
36 of the services of a mortgage broker *or mortgage agent* or otherwise
37 to engage in, carry on or hold himself out as engaging in or carrying
38 on the business of a mortgage broker *or mortgage agent* without
39 first obtaining ~~{a license as a mortgage broker}~~ *the applicable*
40 *license issued* pursuant to this chapter, unless the person:

41 1. Is exempt from the provisions of this chapter; and

42 2. Complies with the requirements for that exemption.



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1 **Sec. 48.5.** NRS 645E.020 is hereby amended to read as
2 follows:

3 645E.020 “Applicant” means a person who applies for
4 licensure as a mortgage ~~company~~ *banker* pursuant to this chapter.

5 **Sec. 49.** NRS 645E.050 is hereby amended to read as follows:

6 645E.050 “Commissioner” means the Commissioner of
7 ~~Financial Institutions~~ *Mortgage Lending*.

8 **Sec. 50.** NRS 645E.070 is hereby amended to read as follows:

9 645E.070 “Division” means the Division of ~~Financial~~
10 ~~Institutions~~ *Mortgage Lending* of the Department of Business and
11 Industry.

12 **Sec. 51.** NRS 645E.090 is hereby amended to read as follows:

13 645E.090 “Licensee” means a person who is licensed as a
14 mortgage ~~company~~ *banker* pursuant to this chapter.

15 **Sec. 52.** NRS 645E.100 is hereby amended to read as follows:

16 645E.100 1. “Mortgage ~~company~~ *banker*” means any of
17 the following:

18 (a) A person who, directly or indirectly:

19 (1) Holds himself out as being able to:

20 (I) Buy or sell notes secured by liens on real property; or

21 (II) Make loans secured by liens on real property using
22 his own money; and

23 (2) Does not engage in any other act or transaction described
24 in the definition of “mortgage broker,” as set forth in NRS
25 645B.0127, unless the person is also licensed as a mortgage broker
26 pursuant to chapter 645B of NRS.

27 (b) A person who, directly or indirectly:

28 (1) Negotiates, originates or makes or offers to negotiate,
29 originate or make commercial mortgage loans as an agent for or on
30 behalf of an institutional investor; and

31 (2) Does not engage in any other act or transaction described
32 in the definition of “mortgage broker,” as set forth in NRS
33 645B.0127, unless the person is also licensed as a mortgage broker
34 pursuant to chapter 645B of NRS.

35 2. For the purposes of this section, a person does not make a
36 loan secured by a lien on real property using his own money if any
37 portion of the money that is used to make the loan is provided by
38 another person who acquires ownership of or a beneficial interest in
39 the loan.

40 **Sec. 53.** NRS 645E.130 is hereby amended to read as follows:

41 645E.130 The provisions of this chapter do not:

42 1. Limit any statutory or common-law right of a person to
43 bring a civil action against a mortgage ~~company~~ *banker* for any
44 act or omission involved in the transaction of business by or on
45 behalf of the mortgage ~~company~~ *banker*;



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

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

9 **Sec. 54.** NRS 645E.150 is hereby amended to read as follows:

10 645E.150 Except as otherwise provided in NRS 645E.160, the
11 provisions of this chapter do not apply to:

12 1. Any person doing business under the laws of this state, any
13 other state or the United States relating to banks, savings banks,
14 trust companies, savings and loan associations, consumer finance
15 companies, industrial loan companies, credit unions, thrift
16 companies or insurance companies, unless the business conducted in
17 this state is not subject to supervision by the regulatory authority of
18 the other jurisdiction, in which case licensing pursuant to this
19 chapter is required.

20 2. A real estate investment trust, as defined in 26 U.S.C. § 856,
21 unless the business conducted in this state is not subject to
22 supervision by the regulatory authority of the other jurisdiction, in
23 which case licensing pursuant to this chapter is required.

24 3. An employee benefit plan, as defined in 29 U.S.C. §
25 1002(3), if the loan is made directly from money in the plan by the
26 plan's trustee.

27 4. An attorney at law rendering services in the performance of
28 his duties as an attorney at law.

29 5. A real estate broker rendering services in the performance of
30 his duties as a real estate broker.

31 6. Any firm or corporation ~~[-~~
32 ~~—(a) Whose principal~~, *or wholly owned subsidiary thereof, the*
33 *sole* purpose or activity *of which* is lending money on real property
34 ~~{which is}~~ secured by a mortgage ~~[-~~

35 ~~—(b) Approved}~~ *pursuant to approvals* by the Federal National
36 Mortgage Association, ~~[as a seller and servicer; and~~

37 ~~—(c) Approved by}~~ the Department of Housing and Urban
38 Development and the Department of Veterans Affairs.

39 7. Any person doing any act under an order of any court.

40 8. Any one natural person, or husband and wife, who provides
41 money for investment in loans secured by a lien on real property, on
42 his own account, unless such a person makes a loan secured by a
43 lien on real property using his own money and assigns all or a part
44 of his interest in the loan to another person, other than his spouse or



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1 child, within 5 years after the date on which the loan is made or the
2 deed of trust is recorded, whichever occurs later.

3 9. Agencies of the United States and of this state and its
4 political subdivisions, including the public employees' retirement
5 system.

6 10. A seller of real property who offers credit secured by a
7 mortgage of the property sold.

8 **Sec. 55.** NRS 645E.160 is hereby amended to read as follows:

9 645E.160 1. A person who claims an exemption from the
10 provisions of this chapter pursuant to subsection 1 or 6 of NRS
11 645E.150 must:

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

14 (b) Pay the fee required pursuant to NRS 645E.280; and

15 (c) Include with the written application satisfactory proof that
16 the person meets the requirements of subsection 1 or 6 of
17 NRS 645E.150.

18 2. The Commissioner may require a person who claims an
19 exemption from the provisions of this chapter pursuant to
20 subsections 2 to 5, inclusive, or 7 to 10, inclusive, of NRS 645E.150
21 to:

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

24 (b) Pay the fee required pursuant to NRS 645E.280; and

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

28 3. A certificate of exemption expires automatically if, at any
29 time, the person who claims the exemption no longer meets the
30 requirements of at least one exemption set forth in the provisions of
31 NRS 645E.150.

32 4. If a certificate of exemption expires automatically pursuant
33 to this section, the person shall not provide any of the services of a
34 mortgage ~~company~~ banker or otherwise engage in, carry on or
35 hold himself out as engaging in or carrying on the business of a
36 mortgage ~~company~~ banker, unless the person applies for and is
37 issued:

38 (a) A license as a mortgage ~~company~~ banker pursuant to this
39 chapter; or

40 (b) Another certificate of exemption.

41 5. The Commissioner may impose upon a person who is
42 required to apply for a certificate of exemption or who holds a
43 certificate of exemption an administrative fine of not more than
44 \$10,000 for each violation that he commits, if the person:



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

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

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

11 **Sec. 56.** NRS 645E.200 is hereby amended to read as follows:

12 645E.200 1. A person who wishes to be licensed as a
13 mortgage ~~company~~ *banker* must file a written application for a
14 license with the Office of the Commissioner and pay the fee
15 required pursuant to NRS 645E.280. An application for a license as
16 a mortgage ~~company~~ *banker* must:

17 (a) Be verified.

18 (b) State the name, residence address and business address of
19 the applicant and the location of each principal office and branch
20 office at which the mortgage ~~company~~ *banker* will conduct
21 business in this state, including, without limitation, any office or
22 other place of business located outside this state from which the
23 mortgage ~~company~~ *banker* will conduct business in this state.

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

26 (d) If the applicant is not a natural person, list the name,
27 residence address and business address of each person who will
28 have an interest in the mortgage ~~company~~ *banker* as a principal,
29 partner, officer, director or trustee, specifying the capacity and title
30 of each such person.

31 (e) Indicate the general plan and character of the business.

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

34 (g) Include a financial statement of the applicant.

35 (h) Include any other information required pursuant to the
36 regulations adopted by the Commissioner or an order of the
37 Commissioner.

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

41 3. Except as otherwise provided in this chapter, the
42 Commissioner shall issue a license to an applicant as a mortgage
43 ~~company~~ *banker* if:

44 (a) The application complies with the requirements of this
45 chapter; and



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

4 (1) Has a good reputation for honesty, trustworthiness and
5 integrity and displays competence to transact the business of a
6 mortgage ~~company~~ *banker* in a manner which safeguards the
7 interests of the general public. The applicant must submit
8 satisfactory proof of these qualifications to the Commissioner.

9 (2) Has not been convicted of, or entered a plea of nolo
10 contendere to, a felony or any crime involving fraud,
11 misrepresentation or moral turpitude.

12 (3) Has not made a false statement of material fact on his
13 application.

14 (4) Has not had a license that was issued pursuant to the
15 provisions of this chapter or chapter 645B of NRS suspended or
16 revoked within the 10 years immediately preceding the date of his
17 application.

18 (5) Has not had a license that was issued in any other state,
19 district or territory of the United States or any foreign country
20 suspended or revoked within the 10 years immediately preceding the
21 date of his application.

22 (6) Has not violated any provision of this chapter or chapter
23 645B of NRS, a regulation adopted pursuant thereto or an order of
24 the Commissioner.

25 4. If an applicant is a partnership, corporation or
26 unincorporated association, the Commissioner may refuse to issue a
27 license to the applicant if any member of the partnership or any
28 officer or director of the corporation or unincorporated association
29 has committed any act or omission that would be cause for refusing
30 to issue a license to a natural person.

31 5. A person may apply for a license for an office or other place
32 of business located outside this state from which the applicant will
33 conduct business in this state if the applicant or a subsidiary or
34 affiliate of the applicant has a license issued pursuant to this chapter
35 for an office or other place of business located in this state and if the
36 applicant submits with the application for a license a statement
37 signed by the applicant which states that the applicant agrees to:

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

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



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

3 **Sec. 57.** NRS 645E.210 is hereby amended to read as follows:

4 645E.210 1. In addition to the requirements set forth in NRS
5 645E.200 and 645E.280, a natural person who applies for the
6 issuance or renewal of a license as a mortgage ~~company~~ *banker*
7 shall submit to the Commissioner:

8 (a) In any application for issuance of a license, the social
9 security number of the applicant and the statement prescribed by the
10 Welfare Division of the Department of Human Resources pursuant
11 to NRS 425.520. The statement must be completed and signed by
12 the applicant.

13 (b) In any application for renewal of a license, the statement
14 prescribed by the Welfare Division of the Department of Human
15 Resources pursuant to NRS 425.520. The statement must be
16 completed and signed by the applicant.

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

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

21 (b) A separate form prescribed by the Commissioner.

22 3. The Commissioner shall not issue or renew a license as a
23 mortgage ~~company~~ *banker* if the applicant is a natural person
24 who:

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

27 (b) Indicates on the statement submitted pursuant to subsection
28 1 that he is subject to a court order for the support of a child and is
29 not in compliance with the order or a plan approved by the district
30 attorney or other public agency enforcing the order for the
31 repayment of the amount owed pursuant to the order.

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

40 **Sec. 58.** NRS 645E.220 is hereby amended to read as follows:

41 645E.220 1. A mortgage ~~company~~ *banker* shall post each
42 license in a conspicuous place in the office for which the license has
43 been issued.



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

4 **Sec. 59.** NRS 645E.230 is hereby amended to read as follows:

5 645E.230 1. A license entitles a licensee to engage only in
6 the activities authorized by this chapter.

7 2. The provisions of this chapter do not prohibit a licensee
8 from:

9 (a) Holding a license as a mortgage broker pursuant to chapter
10 645B of NRS; or

11 (b) Conducting the business of a mortgage ~~company~~ *banker*
12 and the business of a mortgage broker in the same office or place of
13 business.

14 **Sec. 60.** NRS 645E.280 is hereby amended to read as follows:

15 645E.280 1. A license issued to a mortgage ~~company~~
16 *banker* pursuant to this chapter expires each year on December 31,
17 unless it is renewed. To renew a license, the licensee must submit to
18 the Commissioner on or before December 31 of each year:

19 (a) An application for renewal that complies with the
20 requirements of this chapter; and

21 (b) The fee required to renew the license pursuant to this
22 section.

23 2. If the licensee fails to submit any item required pursuant to
24 subsection 1 to the Commissioner on or before December 31 of any
25 year, the license is cancelled. The Commissioner may reinstate a
26 cancelled license if the licensee submits to the Commissioner:

27 (a) An application for renewal that complies with the
28 requirements of this chapter;

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

31 (c) A reinstatement fee of \$200.

32 3. Except as otherwise provided in NRS 645E.160, a certificate
33 of exemption issued pursuant to this chapter expires each year on
34 December 31, unless it is renewed. To renew a certificate of
35 exemption, a person must submit to the Commissioner on or before
36 December 31 of each year:

37 (a) An application for renewal that complies with the
38 requirements of this chapter; and

39 (b) The fee required to renew the certificate of exemption.

40 4. If the person fails to submit any item required pursuant to
41 subsection 3 to the Commissioner on or before December 31 of any
42 year, the certificate of exemption is cancelled. Except as otherwise
43 provided in NRS 645E.160, the Commissioner may reinstate a
44 cancelled certificate of exemption if the person submits to the
45 Commissioner:



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- 1 (a) An application for renewal that complies with the
- 2 requirements of this chapter;
- 3 (b) The fee required to renew the certificate of exemption; and
- 4 (c) A reinstatement fee of \$100.

5 5. A person must pay the following fees to apply for, to be
6 issued or to renew a license as a mortgage ~~[company]~~ *banker*
7 pursuant to this chapter:

8 (a) To file an original application for a license, \$1,500 for the
9 principal office and \$40 for each branch office. The person must
10 also pay such additional expenses incurred in the process of
11 investigation as the Commissioner deems necessary. ~~[All money~~
12 ~~received by the Commissioner pursuant to this paragraph must be~~
13 ~~placed in the Investigative Account created by NRS 232.545.]~~

14 (b) To be issued a license, \$1,000 for the principal office and
15 \$60 for each branch office.

16 (c) To renew a license, \$500 for the principal office and \$100
17 for each branch office.

18 6. A person must pay the following fees to apply for or to
19 renew a certificate of exemption pursuant to this chapter:

20 (a) To file an application for a certificate of exemption, \$200.

21 (b) To renew a certificate of exemption, \$100.

22 7. To be issued a duplicate copy of any license or certificate of
23 exemption, a person must make a satisfactory showing of its loss
24 and pay a fee of \$10.

25 8. Except as otherwise provided in this chapter, all fees
26 received pursuant to this chapter must be deposited in the ~~[State~~
27 ~~Treasury for credit to the State General Fund.]~~ *Fund for Mortgage*
28 *Lending created by section 17 of this act.*

29 **Sec. 61.** NRS 645E.300 is hereby amended to read as follows:

30 645E.300 1. Subject to the administrative control of the
31 Director of the Department of Business and Industry, the
32 Commissioner shall exercise general supervision and control over
33 mortgage ~~[companies]~~ *bankers* doing business in this state.

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

36 (a) Adopt any regulations that are necessary to carry out the
37 provisions of this chapter, except as to loan fees.

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

42 (c) Conduct an annual examination of each mortgage ~~[company]~~
43 *banker* doing business in this state.

44 (d) Conduct such other examinations, periodic or special audits,
45 investigations and hearings as may be necessary and proper for the



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1 efficient administration of the laws of this state regarding mortgage
2 ~~[companies.] bankers.~~

3 (e) Classify as confidential certain records and information
4 obtained by the Division when those matters are obtained from a
5 governmental agency upon the express condition that they remain
6 confidential. This paragraph does not limit examination by the
7 Legislative Auditor.

8 (f) Conduct such examinations and investigations as are
9 necessary to ensure that mortgage ~~[companies]~~ *bankers* meet the
10 requirements of this chapter for obtaining a license, both at the time
11 of the application for a license and thereafter on a continuing basis.

12 3. For each special audit, investigation or examination, a
13 mortgage ~~[company]~~ *banker* shall pay a fee based on the rate
14 established pursuant to ~~[NRS 658.101.]~~ *section 15 of this act.*

15 **Sec. 62.** NRS 645E.320 is hereby amended to read as follows:

16 645E.320 Each mortgage ~~[company]~~ *banker* shall pay the
17 assessment levied pursuant to ~~[NRS 658.055]~~ *section 12 of this act*
18 and cooperate fully with the audits and examinations performed
19 pursuant thereto.

20 **Sec. 63.** NRS 645E.350 is hereby amended to read as follows:

21 645E.350 1. Each mortgage ~~[company]~~ *banker* shall keep
22 and maintain at all times at each location where the mortgage
23 ~~[company]~~ *banker* conducts business in this state complete and
24 suitable records of all mortgage transactions made by the mortgage
25 ~~[company]~~ *banker* at that location. Each mortgage ~~[company]~~
26 *banker* shall also keep and maintain at all times at each such
27 location all original books, papers and data, or copies thereof,
28 clearly reflecting the financial condition of the business of the
29 mortgage ~~[company.]~~ *banker.*

30 2. Each mortgage ~~[company]~~ *banker* shall submit to the
31 Commissioner each month a report of the mortgage ~~[company's]~~
32 *banker's* activity for the previous month. The report must:

33 (a) Specify the volume of loans made by the mortgage
34 ~~[company]~~ *banker* for the month or state that no loans were made in
35 that month;

36 (b) Include any information required pursuant to the regulations
37 adopted by the Commissioner; and

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

40 3. The Commissioner may adopt regulations prescribing
41 accounting procedures for mortgage ~~[companies]~~ *bankers* handling
42 trust accounts and the requirements for keeping records relating to
43 such accounts.

44 4. A licensee who operates outside this state an office or other
45 place of business which is licensed pursuant to this chapter shall:



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

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

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

11 **Sec. 64.** NRS 645E.360 is hereby amended to read as follows:

12 645E.360 1. Except as otherwise provided in this section, not
13 later than 60 days after the last day of each fiscal year for a
14 mortgage ~~company~~ *banker*, the mortgage ~~company~~ *banker* shall
15 submit to the Commissioner a financial statement that:

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

17 (b) Has been prepared from the books and records of the
18 mortgage ~~company~~ *banker* by an independent public accountant
19 who holds a permit to engage in the practice of public accounting in
20 this state that has not been revoked or suspended.

21 2. The Commissioner may grant a reasonable extension for the
22 submission of a financial statement pursuant to this section if a
23 mortgage ~~company~~ *banker* requests such an extension before the
24 date on which the financial statement is due.

25 3. If a mortgage ~~company~~ *banker* maintains any accounts
26 described in NRS 645E.430, the financial statement submitted
27 pursuant to this section must be audited. The public accountant who
28 prepares the report of an audit shall submit a copy of the report to
29 the Commissioner at the same time that he submits the report to the
30 mortgage ~~company~~ *banker*.

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

33 **Sec. 65.** NRS 645E.370 is hereby amended to read as follows:

34 645E.370 1. Except as otherwise provided in this section or
35 by specific statute, all papers, documents, reports and other written
36 instruments filed with the Commissioner pursuant to this chapter are
37 open to public inspection.

38 2. The Commissioner may withhold from public inspection or
39 refuse to disclose to a person, for such time as the Commissioner
40 considers necessary, any information that, in his judgment, would:

41 (a) Impede or otherwise interfere with an investigation that is
42 currently pending against a mortgage ~~company~~ *banker*; or

43 (b) Have an undesirable effect on the welfare of the public or the
44 welfare of any mortgage ~~company~~ *banker*.



1 **Sec. 66.** NRS 645E.390 is hereby amended to read as follows:
2 645E.390 1. The Commissioner must be notified of a transfer
3 of 5 percent or more of the outstanding voting stock of a mortgage
4 ~~company~~ *banker* and must approve a transfer of voting stock of a
5 mortgage ~~company~~ *banker* which constitutes a change of control.

6 2. The person who acquires stock resulting in a change of
7 control of the mortgage ~~company~~ *banker* shall apply to the
8 Commissioner for approval of the transfer. The application must
9 contain information which shows that the requirements of this
10 chapter for obtaining a license will be satisfied after the change of
11 control. Except as otherwise provided in subsection 3, the
12 Commissioner shall conduct an investigation to determine whether
13 those requirements will be satisfied. If, after the investigation, the
14 Commissioner denies the application, he may forbid the applicant
15 from participating in the business of the mortgage ~~company~~ *banker*.
16 *banker*.

17 3. A mortgage ~~company~~ *banker* may submit a written request
18 to the Commissioner to waive an investigation pursuant to
19 subsection 2. The Commissioner may grant a waiver if the applicant
20 has undergone a similar investigation by a state or federal agency in
21 connection with the licensing of or his employment with a financial
22 institution.

23 4. As used in this section, "change of control" means:

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

27 (b) A transfer of at least 25 percent of the outstanding voting
28 stock of a mortgage ~~company~~ *banker*.

29 **Sec. 67.** NRS 645E.420 is hereby amended to read as follows:

30 645E.420 1. Except as otherwise provided in subsection 3,
31 the amount of any advance fee, salary, deposit or money paid to any
32 mortgage ~~company~~ *banker* or other person to obtain a loan
33 secured by a lien on real property must be placed in escrow pending
34 completion of the loan or a commitment for the loan.

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

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

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

42 3. Advance payments to cover reasonably estimated costs paid
43 to third persons are excluded from the provisions of subsections 1
44 and 2 if the person making them first signs a written agreement
45 which specifies the estimated costs by item and the estimated



1 aggregate cost, and which recites that money advanced for costs will
2 not be refunded. If an itemized service is not performed and the
3 estimated cost thereof is not refunded, the recipient of the advance
4 payment is subject to the penalties provided in NRS 645E.960.

5 **Sec. 68.** NRS 645E.430 is hereby amended to read as follows:

6 645E.430 1. All money paid to a mortgage ~~company~~
7 *banker* for payment of taxes or insurance premiums on real property
8 which secures any loan made by the mortgage ~~company~~ *banker*
9 must be deposited in an insured depository financial institution and
10 kept separate, distinct and apart from money belonging to the
11 mortgage ~~company~~ *banker*. Such money, when deposited, is to be
12 designated as an "impound trust account" or under some other
13 appropriate name indicating that the accounts are not the money of
14 the mortgage ~~company~~ *banker*.

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

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

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

25 5. A mortgage ~~company~~ *banker* shall:

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

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

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

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

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

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



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1 **Sec. 69.** NRS 645E.440 is hereby amended to read as follows:
2 645E.440 1. Money in an impound trust account is not
3 subject to execution or attachment on any claim against the
4 mortgage ~~{company}~~ **banker**.

5 2. It is unlawful for a mortgage ~~{company}~~ **banker** knowingly
6 to keep or cause to be kept any money in a depository financial
7 institution under the heading of "impound trust account" or any
8 other name designating such money as belonging to the debtors of
9 the mortgage ~~{company}~~ **banker**, unless the money has been paid to
10 the mortgage ~~{company}~~ **banker** by a debtor pursuant to NRS
11 645E.430 and is being held in trust by the mortgage ~~{company}~~
12 **banker** pursuant to the provisions of that section.

13 **Sec. 70.** NRS 645E.470 is hereby amended to read as follows:

14 645E.470 1. If a person is required to make a payment to a
15 mortgage ~~{company}~~ **banker** pursuant to the terms of a loan secured
16 by a lien on real property, the mortgage ~~{company}~~ **banker** may not
17 charge the person a late fee, an additional amount of interest or any
18 other penalty in connection with that payment if the payment is
19 delivered to the mortgage ~~{company}~~ **banker** before 5 p.m. on:

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

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

26 2. A person and a mortgage ~~{company}~~ **banker** may not agree
27 to alter or waive the provisions of this section by contract or other
28 agreement, and any such contract or agreement is void and must not
29 be given effect to the extent that it violates the provisions of this
30 section.

31 **Sec. 71.** NRS 645E.620 is hereby amended to read as follows:

32 645E.620 1. Whether or not a complaint has been filed, the
33 Commissioner may investigate a mortgage ~~{company}~~ **banker** or
34 other person if, for any reason, it appears that:

35 (a) The mortgage ~~{company}~~ **banker** is conducting business in
36 an unsafe and injurious manner or in violation of any provision of
37 this chapter, a regulation adopted pursuant to this chapter or an
38 order of the Commissioner;

39 (b) The person is offering or providing any of the services of a
40 mortgage ~~{company}~~ **banker** or otherwise engaging in, carrying on
41 or holding himself out as engaging in or carrying on the business of
42 a mortgage ~~{company}~~ **banker** without being licensed or exempt
43 from licensing pursuant to the provisions of this chapter; or



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

4 2. If, upon investigation, the Commissioner has reasonable
5 cause to believe that the mortgage ~~company~~ *banker* or other
6 person has engaged in any conduct or committed any violation
7 described in subsection 1, the Commissioner may:

8 (a) Advise the district attorney of the county in which the
9 conduct or violation occurred, and the district attorney shall cause
10 the appropriate legal action to be taken against the mortgage
11 ~~company~~ *banker* or other person to enjoin the conduct or the
12 operation of the business or prosecute the violation; and

13 (b) Bring a civil action to:

14 (1) Enjoin the mortgage ~~company~~ *banker* or other person
15 from engaging in the conduct, operating the business or committing
16 the violation; and

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

21 3. If the Commissioner brings a civil action pursuant to
22 subsection 2, the district court of any county of this state is hereby
23 vested with the jurisdiction in equity to enjoin the conduct, the
24 operation of the business or the commission of the violation and
25 may grant any injunctions that are necessary to prevent and restrain
26 the conduct, the operation of the business or the commission of the
27 violation. During the pendency of the proceedings before the district
28 court:

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

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

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

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

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

41 **Sec. 72.** NRS 645E.630 is hereby amended to read as follows:

42 645E.630 1. In addition to any other action that is permitted
43 pursuant to this chapter, if the Commissioner has reasonable cause
44 to believe that:



1 (a) The assets or capital of a mortgage ~~{company}~~ *banker* are
2 impaired; or

3 (b) A mortgage ~~{company}~~ *banker* is conducting business in an
4 unsafe and injurious manner that may result in danger to the
5 public,

6 the Commissioner may immediately take possession of all the
7 property, business and assets of the mortgage ~~{company}~~ *banker*
8 that are located in this state and retain possession of them pending
9 further proceedings provided for in this chapter.

10 2. If the licensee, the board of directors or any officer or person
11 in charge of the offices of the mortgage ~~{company}~~ *banker* refuses
12 to permit the Commissioner to take possession of the property of the
13 mortgage ~~{company}~~ *banker* pursuant to subsection 1:

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

15 (b) The Attorney General shall immediately bring such
16 proceedings as may be necessary to place the Commissioner in
17 immediate possession of the property of the mortgage ~~{company}~~
18 *banker*.

19 3. If the Commissioner takes possession of the property of the
20 mortgage ~~{company}~~ *banker*, the Commissioner shall:

21 (a) Make or have made an inventory of the assets and known
22 liabilities of the mortgage ~~{company}~~ *banker*; and

23 (b) File one copy of the inventory in his office and one copy in
24 the office of the clerk of the district court of the county in which the
25 principal office of the mortgage ~~{company}~~ *banker* is located and
26 shall mail one copy to each stockholder, partner, officer, director or
27 associate of the mortgage ~~{company}~~ *banker* at his last known
28 address.

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

32 **Sec. 73.** NRS 645E.640 is hereby amended to read as follows:

33 645E.640 1. If the Commissioner takes possession of the
34 property of a mortgage ~~{company}~~ *banker* pursuant to NRS
35 645E.630, the licensee, officers, directors, partners, associates or
36 stockholders of the mortgage ~~{company}~~ *banker* may, within 60
37 days after the date on which the Commissioner takes possession of
38 the property, make good any deficit in the assets or capital of the
39 mortgage ~~{company}~~ *banker* or remedy any unsafe and injurious
40 conditions or practices of the mortgage ~~{company}~~ *banker*.

41 2. At the expiration of the 60-day period, if the deficiency in
42 assets or capital has not been made good or the unsafe and injurious
43 conditions or practices remedied, the Commissioner may apply to
44 the court to be appointed receiver and proceed to liquidate the assets
45 of the mortgage ~~{company}~~ *banker* which are located in this state in



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1 the same manner as now provided by law for liquidation of a private
2 corporation in receivership.

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

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

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

15 **Sec. 74.** NRS 645E.680 is hereby amended to read as follows:

16 645E.680 1. If the Commissioner receives a copy of a court
17 order issued pursuant to NRS 425.540 that provides for the
18 suspension of all professional, occupational and recreational
19 licenses, certificates and permits issued to a person who is the
20 holder of a license as a mortgage ~~company,~~ *banker*, the
21 Commissioner shall deem the license issued to that person to be
22 suspended at the end of the 30th day after the date on which the
23 court order was issued unless the Commissioner receives a letter
24 issued to the holder of the license by the district attorney or other
25 public agency pursuant to NRS 425.550 stating that the holder of the
26 license has complied with the subpoena or warrant or has satisfied
27 the arrearage pursuant to NRS 425.560.

28 2. The Commissioner shall reinstate a license as a mortgage
29 ~~company,~~ *banker* that has been suspended by a district court
30 pursuant to NRS 425.540 if the Commissioner receives a letter
31 issued by the district attorney or other public agency pursuant to
32 NRS 425.550 to the person whose license was suspended stating
33 that the person whose license was suspended has complied with the
34 subpoena or warrant or has satisfied the arrearage pursuant to
35 NRS 425.560.

36 **Sec. 75.** NRS 645E.900 is hereby amended to read as follows:

37 645E.900 It is unlawful for any person to offer or provide any
38 of the services of a mortgage ~~company,~~ *banker* or otherwise to
39 engage in, carry on or hold himself out as engaging in or carrying on
40 the business of a mortgage ~~company,~~ *banker* without first
41 obtaining a license as a mortgage ~~company,~~ *banker* pursuant to this
42 chapter, unless the person:

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



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1 **Sec. 76.** NRS 645E.910 is hereby amended to read as follows:
2 645E.910 It is unlawful for any foreign corporation,
3 association or business trust to conduct any business as a mortgage
4 ~~company~~ *banker* within this state, unless it:

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

9 **Sec. 77.** NRS 40.750 is hereby amended to read as follows:

10 40.750 1. As used in this section, "financial institution"
11 means a bank, mortgage broker, mortgage ~~company~~ *banker*,
12 credit union, thrift company or savings and loan association, or any
13 subsidiary or affiliate of a bank, mortgage broker, mortgage
14 ~~company~~ *banker*, credit union, thrift company or savings and loan
15 association, which is authorized to transact business in this state and
16 which makes or acquires, in whole or in part, any loan of the kind
17 described in subsection 2.

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

25 3. In addition to its actual damages, a financial institution may
26 recover exemplary or punitive damages in an amount not to exceed
27 50 percent of the actual damages awarded.

28 4. The cause of action provided by this section:

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

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

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

41 (a) The residence is a single-family dwelling occupied by the
42 person obtaining the loan, as represented by him in connection with
43 his application for the loan; and

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



1 **Sec. 78.** NRS 90.530 is hereby amended to read as follows:
2 90.530 The following transactions are exempt from NRS
3 90.460 and 90.560:

4 1. An isolated nonissuer transaction, whether or not effected
5 through a broker-dealer.

6 2. A nonissuer transaction in an outstanding security if the
7 issuer of the security has a class of securities subject to registration
8 under section 12 of the Securities Exchange Act of 1934, 15 U.S.C.
9 § 78l, and has been subject to the reporting requirements of section
10 13 or 15(c) of the Securities Exchange Act of 1934, 15 U.S.C. §§
11 78m and 78o(d), for not less than 90 days next preceding the
12 transaction, or has filed and maintained with the Administrator for
13 not less than 90 days preceding the transaction information, in such
14 form as the Administrator, by regulation, specifies, substantially
15 comparable to the information the issuer would be required to file
16 under section 12(b) or 12(g) of the Securities Exchange Act of 1934,
17 15 U.S.C. §§ 78l(b) and 78l(g), were the issuer to have a class of its
18 securities registered under section 12 of the Securities Exchange Act
19 of 1934, 15 U.S.C. § 78l, and paid a fee with the filing of \$150.

20 3. A nonissuer transaction by a sales representative licensed in
21 this state, in an outstanding security if:

22 (a) The security is sold at a price reasonably related to the
23 current market price of the security at the time of the transaction;

24 (b) The security does not constitute all or part of an unsold
25 allotment to, or subscription or participation by, a broker-dealer as
26 an underwriter of the security;

27 (c) At the time of the transaction, a recognized securities manual
28 designated by the Administrator by regulation or order contains the
29 names of the issuer's officers and directors, a statement of the
30 financial condition of the issuer as of a date within the preceding 18
31 months, and a statement of income or operations for each of the last
32 2 years next preceding the date of the statement of financial
33 condition, or for the period as of the date of the statement of
34 financial condition if the period of existence is less than 2 years;

35 (d) The issuer of the security has not undergone a major
36 reorganization, merger or acquisition within the preceding 30 days
37 which is not reflected in the information contained in the manual;
38 and

39 (e) At the time of the transaction, the issuer of the security has a
40 class of equity security listed on the New York Stock Exchange,
41 American Stock Exchange or other exchange designated by the
42 Administrator, or on the National Market System of the National
43 Association of Securities Dealers Automated Quotation System. The
44 requirements of this paragraph do not apply if:

45 (1) The security has been outstanding for at least 180 days;



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1 (2) The issuer of the security is actually engaged in business
2 and is not developing his business, in bankruptcy or in receivership;
3 and

4 (3) The issuer of the security has been in continuous
5 operation for at least 5 years.

6 4. A nonissuer transaction in a security that has a fixed
7 maturity or a fixed interest or dividend provision if there has been
8 no default during the current fiscal year or within the 3 preceding
9 years, or during the existence of the issuer, and any predecessors if
10 less than 3 years, in the payment of principal, interest or dividends
11 on the security.

12 5. A nonissuer transaction effected by or through a registered
13 broker-dealer pursuant to an unsolicited order or offer to purchase.

14 6. A transaction between the issuer or other person on whose
15 behalf the offering of a security is made and an underwriter, or a
16 transaction among underwriters.

17 7. A transaction in a bond or other evidence of indebtedness
18 secured by a real estate mortgage, deed of trust, personal property
19 security agreement, or by an agreement for the sale of real estate or
20 personal property, if the entire mortgage, deed of trust or agreement,
21 together with all the bonds or other evidences of indebtedness
22 secured thereby, is offered and sold as a unit.

23 8. A transaction by an executor, administrator, sheriff, marshal,
24 receiver, trustee in bankruptcy, guardian or conservator.

25 9. A transaction executed by a bona fide secured party without
26 the purpose of evading this chapter.

27 10. An offer to sell or sale of a security to a financial or
28 institutional investor or to a broker-dealer.

29 11. Except as otherwise provided in this subsection, a
30 transaction pursuant to an offer to sell securities of an issuer if:

31 (a) The transaction is part of an issue in which there are not
32 more than 25 purchasers in this state, other than those designated in
33 subsection 10, during any 12 consecutive months;

34 (b) No general solicitation or general advertising is used in
35 connection with the offer to sell or sale of the securities;

36 (c) No commission or other similar compensation is paid or
37 given, directly or indirectly, to a person, other than a broker-dealer
38 licensed or not required to be licensed under this chapter, for
39 soliciting a prospective purchaser in this state; and

40 (d) One of the following conditions is satisfied:

41 (1) The seller reasonably believes that all the purchasers in
42 this state, other than those designated in subsection 10, are
43 purchasing for investment; or

44 (2) Immediately before and immediately after the
45 transaction, the issuer reasonably believes that the securities of the



1 issuer are held by 50 or fewer beneficial owners, other than those
2 designated in subsection 10, and the transaction is part of an
3 aggregate offering that does not exceed \$500,000 during any 12
4 consecutive months.

5 The Administrator by rule or order as to a security or transaction or
6 a type of security or transaction, may withdraw or further condition
7 the exemption set forth in this subsection or waive one or more of
8 the conditions of the exemption.

9 12. An offer to sell or sale of a preorganization certificate or
10 subscription if:

11 (a) No commission or other similar compensation is paid or
12 given, directly or indirectly, for soliciting a prospective subscriber;

13 (b) No public advertising or general solicitation is used in
14 connection with the offer to sell or sale;

15 (c) The number of offers does not exceed 50;

16 (d) The number of subscribers does not exceed 10; and

17 (e) No payment is made by a subscriber.

18 13. An offer to sell or sale of a preorganization certificate or
19 subscription issued in connection with the organization of a
20 depository institution if that organization is under the supervision of
21 an official or agency of a state or of the United States which has and
22 exercises the authority to regulate and supervise the organization of
23 the depository institution. For the purpose of this subsection, “under
24 the supervision of an official or agency” means that the official or
25 agency by law has authority to require disclosures to prospective
26 investors similar to those required under NRS 90.490, impound
27 proceeds from the sale of a preorganization certificate or
28 subscription until organization of the depository institution is
29 completed, and require refund to investors if the depository
30 institution does not obtain a grant of authority from the appropriate
31 official or agency.

32 14. A transaction pursuant to an offer to sell to existing
33 security holders of the issuer, including persons who at the time of
34 the transaction are holders of transferable warrants exercisable
35 within not more than 90 days after their issuance, convertible
36 securities or nontransferable warrants, if:

37 (a) No commission or other similar compensation other than a
38 standby commission, is paid or given, directly or indirectly, for
39 soliciting a security holder in this state; or

40 (b) The issuer first files a notice specifying the terms of the offer
41 to sell, together with a nonrefundable fee of \$150, and the
42 Administrator does not by order disallow the exemption within the
43 next 5 full business days.



1 15. A transaction involving an offer to sell, but not a sale, of a
2 security not exempt from registration under the Securities Act of
3 1933, 15 U.S.C. §§ 77a et seq., if:

4 (a) A registration or offering statement or similar document as
5 required under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq.,
6 has been filed, but is not effective;

7 (b) A registration statement, if required, has been filed under
8 this chapter, but is not effective; and

9 (c) No order denying, suspending or revoking the effectiveness
10 of registration, of which the offeror is aware, has been entered by
11 the Administrator or the Securities and Exchange Commission, and
12 no examination or public proceeding that may culminate in that kind
13 of order is known by the offeror to be pending.

14 16. A transaction involving an offer to sell, but not a sale, of a
15 security exempt from registration under the Securities Act of 1933,
16 15 U.S.C. §§ 77a et seq., if:

17 (a) A registration statement has been filed under this chapter, but
18 is not effective; and

19 (b) No order denying, suspending or revoking the effectiveness
20 of registration, of which the offeror is aware, has been entered by
21 the Administrator and no examination or public proceeding that may
22 culminate in that kind of order is known by the offeror to be
23 pending.

24 17. A transaction involving the distribution of the securities of
25 an issuer to the security holders of another person in connection
26 with a merger, consolidation, exchange of securities, sale of assets
27 or other reorganization to which the issuer, or its parent or
28 subsidiary, and the other person, or its parent or subsidiary, are
29 parties, if:

30 (a) The securities to be distributed are registered under the
31 Securities Act of 1933, 15 U.S.C. §§ 77a et seq., before the
32 consummation of the transaction; or

33 (b) The securities to be distributed are not required to be
34 registered under the Securities Act of 1933, 15 U.S.C. §§ 77a et
35 seq., written notice of the transaction and a copy of the materials, if
36 any, by which approval of the transaction will be solicited, together
37 with a nonrefundable fee of \$150, are given to the Administrator at
38 least 10 days before the consummation of the transaction and the
39 Administrator does not, by order, disallow the exemption within the
40 next 10 days.

41 18. A transaction involving the offer to sell or sale of one or
42 more promissory notes each of which is directly secured by a first
43 lien on a single parcel of real estate, or a transaction involving the
44 offer to sell or sale of participation interests in the notes if the notes



1 and participation interests are originated by a depository institution
2 and are offered and sold subject to the following conditions:

3 (a) The minimum aggregate sales price paid by each purchaser
4 may not be less than \$250,000;

5 (b) Each purchaser must pay cash either at the time of the sale or
6 within 60 days after the sale; and

7 (c) Each purchaser may buy for his own account only.

8 19. A transaction involving the offer to sell or sale of one or
9 more promissory notes directly secured by a first lien on a single
10 parcel of real estate or participating interests in the notes, if the
11 notes and interests are originated by a mortgagee approved by the
12 Secretary of Housing and Urban Development under sections 203
13 and 211 of the National Housing Act, 12 U.S.C. §§ 1709 and 1715b,
14 and are offered or sold, subject to the conditions specified in
15 subsection 18, to a depository institution or insurance company, the
16 Federal Home Loan Mortgage Corporation, the Federal National
17 Mortgage Association or the Government National Mortgage
18 Association.

19 20. A transaction between any of the persons described in
20 subsection 19 involving a nonassignable contract to buy or sell the
21 securities described in subsection 18 if the contract is to be
22 completed within 2 years and if:

23 (a) The seller of the securities pursuant to the contract is one of
24 the parties described in subsection 18 or 19 who may originate
25 securities;

26 (b) The purchaser of securities pursuant to a contract is any
27 other person described in subsection 19; and

28 (c) The conditions described in subsection 18 are fulfilled.

29 21. A transaction involving one or more promissory notes
30 secured by a lien on real estate, or participating interests in those
31 notes, by:

32 (a) A mortgage ~~company~~ *banker* licensed pursuant to chapter
33 645E of NRS to engage in those transactions; or

34 (b) A mortgage broker licensed pursuant to chapter 645B of
35 NRS to engage in those transactions.

36 **Sec. 79.** Chapter 232 of NRS is hereby amended by adding
37 thereto a new section to read as follows:

38 *1. A division, office, authority, commission, board or other*
39 *entity set forth in NRS 232.510 may adopt regulations to establish*
40 *procedures to conduct business electronically with persons who*
41 *have business with that division, office, authority, commission,*
42 *board or other entity. The regulations may include, without*
43 *limitation, the establishment of fees to cover the costs to the*
44 *division, office, authority, commission, board or other entity of*
45 *conducting business electronically.*



1 2. *Notwithstanding any other provision, if a division, office,*
2 *authority, commission, board or other entity adopts regulations to*
3 *conduct business electronically pursuant to subsection 1, the*
4 *division, office, authority, commission, board or other entity may*
5 *provide that a declaration made pursuant to NRS 53.045 may*
6 *satisfy the requirement that a signature or statement be notarized,*
7 *acknowledged, verified or made under oath.*

8 3. *The division, office, authority, commission, board or other*
9 *entity may refuse to conduct business electronically with a person*
10 *who has failed to pay money owed to the division, office, authority,*
11 *commission, board or other entity.*

12 **Sec. 80.** NRS 232.510 is hereby amended to read as follows:

13 232.510 1. The Department of Business and Industry is
14 hereby created.

15 2. The Department consists of a Director and the following:

16 (a) Consumer Affairs Division.

17 (b) Division of Financial Institutions.

18 (c) Housing Division.

19 (d) Manufactured Housing Division.

20 (e) Real Estate Division.

21 (f) Division of Insurance.

22 (g) Division of Industrial Relations.

23 (h) Office of Labor Commissioner.

24 (i) Taxicab Authority.

25 (j) Nevada Athletic Commission.

26 (k) Office of the Nevada Attorney for Injured Workers.

27 (l) Transportation Services Authority.

28 (m) *Division of Mortgage Lending.*

29 (n) Any other office, commission, board, agency or entity
30 created or placed within the Department pursuant to a specific
31 statute, the budget approved by the Legislature or an executive
32 order, or an entity whose budget or activities have been placed
33 within the control of the Department by a specific statute.

34 **Sec. 81.** NRS 232.520 is hereby amended to read as follows:

35 232.520 The Director:

36 1. Shall appoint a chief or executive director, or both of them,
37 of each of the divisions, offices, commissions, boards, agencies or
38 other entities of the Department, unless the authority to appoint such
39 a chief or executive director, or both of them, is expressly vested in
40 another person, board or commission by a specific statute. In
41 making the appointments, the Director may obtain lists of qualified
42 persons from professional organizations, associations or other
43 groups recognized by the Department, if any. The Chief of the
44 Consumer Affairs Division is the Commissioner of Consumer
45 Affairs, the Chief of the Division of Financial Institutions is the



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1 Commissioner of Financial Institutions, the Chief of the Housing
2 Division is the Administrator of the Housing Division, the Chief of
3 the Manufactured Housing Division is the Administrator of the
4 Manufactured Housing Division, the Chief of the Real Estate
5 Division is the Real Estate Administrator, the Chief of the Division
6 of Insurance is the Commissioner of Insurance, the Chief of the
7 Division of Industrial Relations is the Administrator of the Division
8 of Industrial Relations, the Chief of the Office of Labor
9 Commissioner is the Labor Commissioner, the Chief of the Taxicab
10 Authority is the Taxicab Administrator, the Chief of the
11 Transportation Services Authority is the Chairman of the Authority,
12 *the Chief of the Division of Mortgage Lending is the*
13 *Commissioner of Mortgage Lending* and the chief of any other
14 entity of the Department has the title specified by the Director,
15 unless a different title is specified by a specific statute.

16 2. Is responsible for the administration of all provisions of law
17 relating to the jurisdiction, duties and functions of all divisions and
18 other entities within the Department. The Director may, if he deems
19 it necessary to carry out his administrative responsibilities, be
20 considered as a member of the staff of any division or other entity of
21 the Department for the purpose of budget administration or for
22 carrying out any duty or exercising any power necessary to fulfill
23 the responsibilities of the Director pursuant to this subsection. This
24 subsection does not allow the Director to preempt any authority or
25 jurisdiction granted by statute to any division or other entity within
26 the Department or to act or take on a function that would contravene
27 a rule of court or a statute.

28 3. May:

29 (a) Establish uniform policies for the department, consistent
30 with the policies and statutory responsibilities and duties of the
31 divisions and other entities within the Department, relating to
32 matters concerning budgeting, accounting, planning, program
33 development, personnel, information services, dispute resolution,
34 travel, workplace safety, the acceptance of gifts or donations, the
35 management of records and any other subject for which a uniform
36 departmental policy is necessary to ensure the efficient operation of
37 the Department.

38 (b) Provide coordination among the divisions and other entities
39 within the Department, in a manner which does not encroach upon
40 their statutory powers and duties, as they adopt and enforce
41 regulations, execute agreements, purchase goods, services or
42 equipment, prepare legislative requests and lease or use office space.

43 (c) Define the responsibilities of any person designated to carry
44 out the duties of the director relating to financing, industrial
45 development or business support services.



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1 4. May, within the limits of the financial resources made
2 available to him, promote, participate in the operation of, and create
3 or cause to be created, any nonprofit corporation, pursuant to
4 chapter 82 of NRS, which he determines is necessary or convenient
5 for the exercise of the powers and duties of the department. The
6 purposes, powers and operation of the corporation must be
7 consistent with the purposes, powers and duties of the Department.

8 5. For any bonds which he is otherwise authorized to issue,
9 may issue bonds the interest on which is not exempt from federal
10 income tax or excluded from gross revenue for the purposes of
11 federal income tax.

12 6. May, except as otherwise provided by specific statute, adopt
13 by regulation a schedule of fees and deposits to be charged in
14 connection with the programs administered by him pursuant to
15 chapters 348A and 349 of NRS. Except as otherwise provided by
16 specific statute, the amount of any such fee or deposit must not
17 exceed 2 percent of the principal amount of the financing.

18 7. May designate any person within the Department to perform
19 any of the duties or responsibilities, or exercise any of the authority,
20 of the Director on his behalf.

21 8. May negotiate and execute agreements with public or private
22 entities which are necessary to the exercise of the powers and duties
23 of the Director or the Department.

24 9. May establish a trust account in the State Treasury for
25 depositing and accounting for money that is held in escrow or is on
26 deposit with the Department for the payment of any direct expenses
27 incurred by the Director in connection with any bond programs
28 administered by the Director. The interest and income earned on
29 money in the trust account, less any amount deducted to pay for
30 applicable charges, must be credited to the trust account. Any
31 balance remaining in the account at the end of a fiscal year may be:

32 (a) Carried forward to the next fiscal year for use in covering the
33 expense for which it was originally received; or

34 (b) Returned to any person entitled thereto in accordance with
35 agreements or regulations of the Director relating to those bond
36 programs.

37 **Sec. 82.** NRS 232.545 is hereby amended to read as follows:

38 232.545 1. An Investigative Account for Financial
39 Institutions is hereby created in the State General Fund. The
40 Account consists of money which is:

41 (a) Received by the Department of Business and Industry in
42 connection with the licensing of financial institutions and the
43 investigation of persons associated with those institutions; and

44 (b) Required by law to be placed therein.



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1 2. The Director of the Department of Business and Industry or
2 his designee may authorize expenditures from the Investigative
3 Account to pay the expenses incurred:

4 (a) In investigating applications for licensing of financial
5 institutions and in investigating persons associated with those
6 institutions;

7 (b) In conducting special investigations relating to financial
8 institutions and persons associated with those institutions; and

9 (c) In connection with mergers, consolidations, conversions,
10 receiverships and liquidations of financial institutions.

11 3. As used in this section, “financial institution” means an
12 institution for which licensing or registration is required by the
13 provisions of titles 55 and 56 and chapters 604 ~~[, 645B, 645E]~~ and
14 649 of NRS.

15 **Sec. 83.** NRS 604.090 is hereby amended to read as follows:

16 604.090 1. Except as otherwise provided in subsection 2, it is
17 unlawful to operate a check-cashing or deferred deposit service
18 without being registered with the Commissioner.

19 2. The provisions of this chapter do not apply to:

20 (a) A person doing business pursuant to the authority of any law
21 of this state or of the United States relating to banks, savings banks,
22 trust companies, savings and loan associations, credit unions,
23 development corporations, mortgage brokers, mortgage
24 ~~[companies,]~~ **bankers**, thrift companies, pawnbrokers or insurance
25 companies.

26 (b) A person licensed to make installment loans pursuant to
27 chapter 675 of NRS.

28 (c) A person who is primarily engaged in the retail sale of goods
29 or services who:

30 (1) As an incident to or independently of a retail sale or
31 service from time to time cashes checks for a fee or other
32 consideration of not more than \$2; and

33 (2) Does not hold himself out as a check-cashing service.

34 (d) A person while performing any act authorized by a license
35 issued pursuant to chapter 671 of NRS.

36 (e) A person who holds a nonrestricted gaming license issued
37 pursuant to chapter 463 of NRS while performing any act in the
38 course of that licensed operation.

39 (f) A person who is exclusively engaged in a check-cashing
40 service relating to out-of-state checks.

41 (g) A corporation organized pursuant to the laws of this state
42 that has been continuously and exclusively engaged in a check-
43 cashing service in this state since July 1, 1973.

44 **Sec. 84.** NRS 675.040 is hereby amended to read as follows:

45 675.040 This chapter does not apply to:



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1 1. A person doing business under the authority of any law of
2 this state or of the United States relating to banks, savings banks,
3 trust companies, savings and loan associations, credit unions,
4 development corporations, mortgage brokers, mortgage
5 ~~companies,~~ **bankers**, thrift companies, pawnbrokers or insurance
6 companies.

7 2. A real estate investment trust, as defined in 26 U.S.C. § 856.

8 3. An employee benefit plan, as defined in 29 U.S.C. §
9 1002(3), if the loan is made directly from money in the plan by the
10 plan's trustee.

11 4. An attorney at law rendering services in the performance of
12 his duties as an attorney at law if the loan is secured by real
13 property.

14 5. A real estate broker rendering services in the performance of
15 his duties as a real estate broker if the loan is secured by real
16 property.

17 6. Except as otherwise provided in this subsection, any firm or
18 corporation:

19 (a) Whose principal purpose or activity is lending money on real
20 property which is secured by a mortgage;

21 (b) Approved by the Federal National Mortgage Association as
22 a seller or servicer; and

23 (c) Approved by the Department of Housing and Urban
24 Development and the Department of Veterans Affairs.

25 7. A person who provides money for investment in loans
26 secured by a lien on real property, on his own account.

27 8. A seller of real property who offers credit secured by a
28 mortgage of the property sold.

29 9. A person holding a nonrestricted state gaming license issued
30 pursuant to the provisions of chapter 463 of NRS.

31 **Sec. 85.** NRS 675.230 is hereby amended to read as follows:

32 675.230 1. Except as otherwise provided in subsection 2, a
33 licensee may not conduct the business of making loans under this
34 chapter within any office, suite, room or place of business in which
35 any other business is solicited or engaged in, except an insurance
36 agency or notary public, or in association or conjunction with any
37 other business, unless authority to do so is given by the
38 Commissioner.

39 2. A licensee may conduct the business of making loans
40 pursuant to this chapter in the same office or place of business as:

41 (a) A mortgage broker if:

42 (1) The licensee and the mortgage broker:

43 (I) Operate as separate legal entities;

44 (II) Maintain separate accounts, books and records;

45 (III) Are subsidiaries of the same parent corporation; and



1 (IV) Maintain separate licenses; and
2 (2) The mortgage broker is licensed by this state pursuant to
3 chapter 645B of NRS and does not receive money to acquire or
4 repay loans or maintain trust accounts as provided by
5 NRS 645B.175.

6 (b) A mortgage ~~company~~ *banker* if:

7 (1) The licensee and the mortgage ~~company~~ *banker*:

8 (I) Operate as separate legal entities;

9 (II) Maintain separate accounts, books and records;

10 (III) Are subsidiaries of the same parent corporation; and

11 (IV) Maintain separate licenses; and

12 (2) The mortgage ~~company~~ *banker* is licensed by this state
13 pursuant to chapter 645E of NRS and, if the mortgage ~~company~~
14 *banker* is also licensed as a mortgage broker pursuant to chapter
15 645B of NRS, does not receive money to acquire or repay loans or
16 maintain trust accounts as provided by NRS 645B.175.

17 **Sec. 86.** NRS 645B.0103 is hereby repealed.

18 **Sec. 87.** 1. On October 1, 2003, the Commissioner of
19 Mortgage Lending may begin accepting applications for, and
20 issuing, licenses as mortgage agents pursuant to section 27 of this
21 act. Any such license issued on or before July 1, 2004:

22 (a) Becomes effective on July 1, 2004; and

23 (b) Notwithstanding the provisions of section 28 of this act to
24 the contrary, expires on a date between July 1, 2004, and June 30,
25 2005, as specified in a written notice provided with the license to the
26 mortgage agent. The Commissioner of Mortgage Lending shall
27 provide various expiration dates for the licenses issued on or before
28 July 1, 2004, as needed to allow for the efficient administration of
29 the requirements of this act. The fee required for such a license that
30 is effective for less than 1 year must be prorated in an appropriate
31 manner as determined by the Commissioner of Mortgage Lending.

32 2. On July 1, 2004, the registration of a mortgage agent who is
33 registered pursuant to NRS 645B.450 expires.

34 3. As used in this section, "mortgage agent" has the meaning
35 ascribed to it in NRS 645B.0125.

36 **Sec. 88.** The Legislative Counsel shall:

37 1. In preparing the reprint and supplements to the Nevada
38 Revised Statutes, appropriately change any references to "mortgage
39 company" to "mortgage broker."

40 2. In preparing supplements to the Nevada Administrative
41 Code, appropriately change any references to "mortgage company"
42 to "mortgage broker."

43 **Sec. 89.** 1. This section becomes effective upon passage and
44 approval.



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1 2. Sections 1 to 20, inclusive, 22 to 39, inclusive, and 41 to 88,
2 inclusive, of this act become effective upon passage and approval
3 for the purposes of adopting regulations and performing any other
4 preparatory administrative tasks that are necessary to carry out the
5 provisions of this act, and:

6 (a) Sections 1 to 20, inclusive, 22 to 25, inclusive, 31, 32, 33,
7 35, 36, 38, 39, 41, 42, 45 and 48.5 to 88, inclusive, of this act
8 become effective on July 1, 2003, for all other purposes.

9 (b) Sections 26 to 30, inclusive, 34, 37, 43, 44, 46, 47 and 48 of
10 this act become effective on July 1, 2004, for all other purposes.

11 3. Sections 20, 29, 39, 46 and 74 of this act expire by limitation
12 on the date on which the provisions of 42 U.S.C. § 666 requiring
13 each state to establish procedures under which the State has
14 authority to withhold or suspend, or to restrict the use of
15 professional, occupational and recreational licenses of persons who:

16 (a) Have failed to comply with a subpoena or warrant relating to
17 a proceeding to determine the paternity of a child or to establish or
18 enforce an obligation for the support of a child; or

19 (b) Are in arrears in the payment for the support of one or more
20 children,

21 are repealed by the Congress of the United States.

22 4. Sections 21 and 40 of this act become effective on the date
23 on which the provisions of 42 U.S.C. § 666 requiring each state to
24 establish procedures under which the State has authority to withhold
25 or suspend, or to restrict the use of professional, occupational and
26 recreational licenses of persons who:

27 (a) Have failed to comply with a subpoena or warrant relating to
28 a proceeding to determine the paternity of a child or to establish or
29 enforce an obligation for the support of a child; or

30 (b) Are in arrears in the payment for the support of one or more
31 children,

32 are repealed by the Congress of the United States.

TEXT OF REPEALED SECTION

645B.0103 “Applicant” defined. “Applicant” means a person who applies for licensure as a mortgage broker pursuant to this chapter.

