

SENATE BILL NO. 231—SENATOR KIECKHEFER

MARCH 15, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions related to financial services.  
(BDR 55-86)

FISCAL NOTE: Effect on Local Government: No.  
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 financial services; revising provisions relating to persons who make loans exclusively through the Internet; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law prohibits a person from engaging in the business of lending  
2 without first having obtained a license from the Commissioner for each office or  
3 other place of business at which the person engages in the business of lending.  
4 (NRS 675.060) Existing law generally authorizes a person to obtain such a license  
5 for an office or other place of business located outside of this State only if: (1) the  
6 person has a license for an office or other place of business located in this State; or  
7 (2) the person is an "Internet business lender," which existing law defines to mean a  
8 person who makes business loans exclusively through the Internet. (NRS 675.020,  
9 675.090) **Section 2** of this bill authorizes an "Internet consumer lender," which is  
10 defined in **section 1** of this bill to mean a person who makes consumer loans  
11 exclusively through the Internet, to obtain a license to engage in the business of  
12 lending for an office or place of business located outside of this State.

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

1 **Section 1.** NRS 675.020 is hereby amended to read as follows:  
2 675.020 As used in this chapter, unless the context otherwise  
3 requires:

4 1. "Amount of cash advance" means the amount of cash or its  
5 equivalent actually received by a borrower or paid out at his or her  
6 direction or on his or her behalf.



\* S B 2 3 1 \*

2. "Amount of loan obligation" means the amount of cash advance plus the aggregate of charges added thereto pursuant to authority of this chapter.

3. "Commissioner" means the Commissioner of Financial Institutions.

4. "Community" means a contiguous area of the same economic unit or metropolitan area as determined by the Commissioner, and may include all or part of a city or several towns or cities.

5. "Consumer credit" has the meaning ascribed to it in NRS 604A.036.

6. "Covered service member" has the meaning ascribed to it in NRS 604A.038.

7. "Dependent" has the meaning ascribed to it in NRS 604A.057.

8. "Internet business lender" means a person who makes business loans exclusively through the Internet.

9. *"Internet consumer lender" means a person who makes consumer loans exclusively through the Internet.*

10. "License" means a license, issued under the authority of this chapter, to make loans in accordance with the provisions of this chapter, at a single place of business.

~~10.~~ 11. "Licensee" means a person to whom one or more licenses have been issued.

**Sec. 2.** NRS 675.090 is hereby amended to read as follows:

675.090 1. Application for a license must be in writing, under oath, and in the form prescribed by the Commissioner.

2. The application must:

(a) Provide the address of the office or other place of business for which the application is submitted.

(b) Contain such further relevant information as the Commissioner may require, including the names and addresses of the partners, officers, directors or trustees, and of such of the principal owners or members as will provide the basis for the investigations and findings contemplated by NRS 675.110 and 675.120.

3. A person may apply for a license for an office or other place of business located outside this State from which the applicant will conduct business in this State if:

(a) The applicant is an Internet business *lender or Internet consumer* lender; or

(b) The applicant or a subsidiary or affiliate of the applicant has a license issued pursuant to this chapter for an office or other place of business located in this State.



1 4. A person who wishes to apply for a license pursuant to  
2 subsection 3 must submit with the application for a license a  
3 statement signed by the applicant which states that the applicant  
4 agrees to:

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

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

13 ➤ The person must be allowed to choose between paragraph (a) or  
14 (b) in complying with the provisions of this subsection.

15 5. The Commissioner shall consider an application to be  
16 withdrawn if the Commissioner has not received all information and  
17 fees required to complete the application within 6 months after the  
18 date the application is first submitted to the Commissioner or within  
19 such later period as the Commissioner determines in accordance  
20 with any existing policies of joint regulatory partners. If an  
21 application is deemed to be withdrawn pursuant to this subsection or  
22 if an applicant otherwise withdraws an application, the  
23 Commissioner may not issue a license to the applicant unless the  
24 applicant submits a new application and pays any required fees.

