

SENATE BILL NO. 276—SENATOR LANGE

MARCH 14, 2023

Referred to Committee on Commerce and Labor

**SUMMARY**—Revises provisions related to collection agencies.  
(BDR 54-158)

**FISCAL NOTE:** Effect on Local Government: Increases or Newly  
Provides for Term of Imprisonment in County or City  
Jail or Detention Facility.  
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 collection agencies; requiring a collection agency to display certain information on the Internet website of the collection agency; authorizing a collection agent to work from a remote location under certain circumstances; requiring a collection agency to provide certain documentation to a debtor upon receiving or accepting a payment; revising certain terminology related to collection agencies; revising the entities required to obtain a license as a collection agency and the circumstances under which such a license is required; revising provisions governing certain records and an application for and the issuance of a license as a collection agency or collection agent; revising the frequency of the determination of the amount of the bond or substitute for a bond that a collection agency is required to maintain; eliminating certain examinations; removing a requirement that a collection agency obtain a permit for each branch office; revising provisions relating to the application and issuance of a chief compliance officer's certificate; prohibiting the chief compliance officer of a collection agency from being simultaneously employed by another collection agency or exempt entity; exempting debt buyers from certain provisions governing collection agencies; revising provisions related to certain annual reports; prohibiting certain actions by a collection agency, chief compliance officer or collection agent; revising procedures governing certain civil actions to collect a claim; repealing certain provisions governing foreign collection agencies, examinations and certificates; and providing other matters properly relating thereto.



**Legislative Counsel's Digest:**

Existing law provides for the licensure and regulation of collection agencies and collection agents. (Chapter 649 of NRS) **Section 3** of this bill defines the term "debt buyer" to mean a person that is regularly engaged in the business of purchasing claims that have been charged off for the purpose of collecting such claims. **Section 14** of this bill includes a debt buyer within the definition of "collection agency," thereby requiring a debt buyer to obtain a license as a collection agency and comply with existing law governing collection agencies. **Sections 18 and 39** of this bill authorize a debt buyer and an affiliate of the debt buyer to share a license. **Sections 34, 35 and 38** of this bill exempt debt buyers from provisions of existing law governing the relationship between a collection agency and a customer because debt buyers collect claims on their own behalf rather than on behalf of customers.

**Section 5** of this bill defines the term "remote location" to mean a location separate from the principal place of business or a branch office of a collection agency. **Sections 7-10** of this bill establish requirements governing collection agents who work from remote locations. Specifically, **section 10** requires a collection agency to maintain certain records concerning such collection agents. Before a collection agent begins working from a remote location, **section 7** requires the collection agent to: (1) sign a written agreement to perform certain duties, authorize certain monitoring by the employer and refrain from certain activities while working from the remote location; (2) complete certain training; and (3) work in an office of the collection agency for at least 7 days. **Section 8** of this bill requires the remote location from which a collection agent works to satisfy certain requirements to protect data and enable the collection agent to work safely and effectively. **Section 8** also prohibits: (1) multiple collection agents who do not reside in the same residence from working from the same remote location; and (2) a collection agent from printing or storing physical records at a remote location. **Section 9** of this bill requires a collection agency to develop and implement a written security policy for work from a remote location and sets forth certain requirements for the security policy. **Section 10** imposes certain additional requirements relating to the work of collection agents from a remote location.

**Section 13** of this bill revises the definition of the term "claim" to include any obligation for the payment of money or its equivalent that is delinquent or in default and assigned to a collection agency. **Section 11** of this bill requires a collection agency to provide certain documentation after receiving a payment in partial or full satisfaction of a claim. **Sections 33, 37 and 40** of this bill replace the term "debt" with "claim" to more accurately state the property interest on which the collection agency may act.

**Section 14** revises the definition of the term "collection agency" to exclude certain financial institutions, employees of such institutions and persons collecting claims that they originated on their own behalf, thereby exempting such entities from requirements governing collection agencies. **Section 15** of this bill amends the term "collection agent" to mean a person who performs certain activities on behalf of a collection agency outside the place of business of a collection agency, thereby exempting persons who do not act on behalf of a collection agency from the requirement to be licensed as a collection agent. **Sections 2 and 4** of this bill define certain other terms. **Section 12** of this bill makes a conforming change to indicate the proper placement of **sections 2-5** in the Nevada Revised Statutes.

**Section 18** prescribes the circumstances under which a person is required to obtain a license as a collection agency or collection agent. **Section 52** of this bill repeals provisions governing foreign collection agencies, thereby requiring such collection agencies to be licensed in the same manner as domestic collection agencies. **Sections 17, 20 and 48** of this bill make certain information provided to the Commissioner of Financial Institutions by an applicant for a license



confidential. **Sections 19 and 20** of this bill revise the required contents of an application to operate a collection agency. **Sections 22, 24, 31 and 52** of this bill revise provisions governing the procedure for issuing a license or removing a business location from the place of business as stated in the license, including by removing a requirement that the Commissioner issue a physical license to a successful applicant.

Existing law requires a collection agency to employ a manager who is: (1) certified as a manager; and (2) responsible for the operation of the collection agency. (NRS 649.035, 649.095, 649.305) **Sections 16, 20, 26-30, 32, 36, 37, 40 and 51** of this bill revise the term "manager" to "chief compliance officer." **Section 26** of this bill revises the requirements to apply for a chief compliance officer's certificate. **Section 30** of this bill prohibits a chief compliance officer from being employed by more than one collection agency at a time, or by a collection agency and an exempt entity at the same time. **Sections 22, 23, 26, 27, 29 and 52** of this bill remove a requirement that an applicant for a license to operate a collection agency or a chief compliance officer's certificate pass an examination and references to that requirement.

Existing law requires: (1) an applicant for a license to operate a collection agency to file a bond or an appropriate substitute with the Commissioner; and (2) the Commissioner to determine the appropriate amount of the bond or appropriate substitute 3 months after submission and semiannually thereafter. (NRS 649.105) **Section 21** of this bill instead requires the Commissioner to review the amount of that bond or substitute annually.

Existing law requires an applicant to state the location of the business and to obtain a permit to operate a branch office. (NRS 649.095, 649.167) **Section 25** of this bill removes the requirement to obtain a permit and instead requires a collection agency to notify the Commissioner of the location of the branch office. **Section 29** of this bill makes a conforming change to remove the fees for the issuance and renewal of a permit to operate a branch office.

Existing law requires a license or certificate issued by the Commissioner to be displayed on the wall of the place of business of the collection agency. (NRS 649.315) **Sections 6, 49 and 52** of this bill remove this requirement and instead require a collection agency to display its license number and the certificate identification number of the certificate issued to the chief compliance officer of the collection agency on an Internet website maintained by the collection agency.

Existing law requires a collection agency to submit a report to the Commissioner on or before January 31 of each year relating to the money due to all creditors by the collection agency and the total sum in the customer trust fund accounts of the collection agency. (NRS 649.345) **Section 36** requires this report to be submitted on or before April 15 of each year.

Existing law prohibits a collection agency or its agents or employees from engaging in certain practices. (NRS 649.375) **Section 40** additionally prohibits a collection agency or its chief compliance officer, agents or employees from: (1) filing a civil action to collect a debt when the collection agency, chief compliance officer, agent or employee knows or should know that the applicable limitation period for filing such an action has expired; and (2) selling an interest in a resolved claim or any personal or financial information related to the resolved claim. Any person who violates these provisions is guilty of a gross misdemeanor and subject to an administrative fine. (NRS 649.435, 649.440)

Existing law prescribes the time within which certain civil actions may be filed. (NRS 11.190) Existing law provides that, for an action based on indebtedness, the relevant time period begins on the date on which the last payment was made. (NRS 11.200) **Section 41** of this bill provides that a payment made on a debt or certain other activity relating to the debt after the time period for filing an action based on a debt has expired does not revive the applicable limitation. **Section 33** requires



certain notice provided to a medical debtor to notify the debtor that such a payment does not revive the applicable limitation. **Section 46** of this bill prescribes requirements governing a complaint filed by a collection agency to collect an unsecured claim and an agreement to settle an action to collect such a claim. **Section 47** of this bill requires a plaintiff in such an action who is a collection agency to serve certain notice on a defendant at least 14 days before submitting a motion for default judgment. For the purposes of **sections 46 and 47**, **sections 44 and 45** of this bill define the terms “claim” and “collection agency,” respectively, to have the same meanings as in other provisions governing collection agencies.

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

**Section 1.** Chapter 649 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this act.

**Sec. 2.** *“Collection activities” means activities performed by a collection agency or collection agents related to the collection of or attempt to collect a claim.*

**Sec. 3.** *“Debt buyer” means a person who is regularly engaged in the business of purchasing claims that have been charged off for the purpose of collecting such claims, including, without limitation, by personally collecting claims, hiring a third party to collect claims or hiring an attorney to engage in litigation for the purpose of collecting claims.*

**Sec. 4.** *“Exempt entity” means an entity described in paragraphs (b) to (k), inclusive, of subsection 2 of NRS 649.020.*

**Sec. 5.** *“Remote location” means a location separate from the principal place of business or a branch office of a collection agency.*

**Sec. 6.** *A collection agency shall display on any Internet website maintained by the collection agency:*

*1. The license number issued to the collection agency by the Commissioner pursuant to NRS 649.135; and*

*2. The certificate identification number of the certificate issued to the chief compliance officer of the collection agency by the Commissioner pursuant to NRS 649.225.*

**Sec. 7.** *Before a collection agent begins working from a remote location, the collection agent must:*

*1. Sign a written agreement prepared by the collection agency that requires a collection agent working from a remote location to:*

*(a) Maintain data concerning debtors in a confidential manner and refrain from printing or otherwise reproducing such data into a physical record while working from the remote location;*

*(b) Read and comply with the security policy established pursuant to section 9 of this act and any policy to ensure the safety*



1 of the equipment of the collection agency that the collection agent  
2 is authorized to use;

3 (c) Review a description of the work that the collection agent is  
4 authorized to perform from the remote location and only perform  
5 work included in that description;

6 (d) Refrain from disclosing to a debtor that the collection  
7 agent is working from a remote location or that the remote  
8 location is a place of business of the collection agency;

9 (e) Authorize the employer to monitor the collection agent  
10 while he or she is working from the remote location, including,  
11 without limitation, recording any calls to and from the remote  
12 location relating to collection activities; and

13 (f) Refrain from conducting any activities related to his or her  
14 work with the collection agency with a debtor or customer in  
15 person at the remote location;

16 2. Complete a program of training at the office of the  
17 principal place of business of the collection agency regarding  
18 compliance with applicable laws and regulations, privacy,  
19 confidentiality, monitoring, security and any other issue relevant  
20 to the work the collection agent will perform from the remote  
21 location; and

22 3. Work at the office of the principal place of business or a  
23 branch office of the collection agency with direct oversight and  
24 mentoring from a supervisor for at least 7 days.

25 **Sec. 8. 1. The remote location from which a collection**  
26 **agent works must:**

27 (a) Be capable of providing the same degree of oversight and  
28 monitoring of the collection agent as if the collection agent was  
29 working in the principal place of business or a branch office of the  
30 collection agency;

31 (b) Be fully connected to the technological systems, including,  
32 without limitation, any computer system, of the office at the  
33 principal place of business or a branch office of the collection  
34 agency;

35 (c) Allow the collection agency to:

36 (1) Record calls made to and from the remote location; and

37 (2) Monitor calls to and from the remote location in real  
38 time;

39 (d) Be a private location where confidentiality can be  
40 maintained; and

41 (e) Have the equipment necessary for the collection agent to  
42 perform his or her work safely and effectively.

43 2. Each collection agent who works from a remote location  
44 must be connected to the principal place of business or a branch  
45 office of the collection agency in a manner that requires the



1 collection agent to use unique credentials to access the  
2 technological systems of the collection agency.

3 3. Except as otherwise provided in this subsection, two or  
4 more collection agents shall not work from the same remote  
5 location. Two or more collection agents who reside in the same  
6 residence may each work remotely from that residence.

7 4. A collection agent shall not print or store any physical  
8 records of a collection agency at a remote location.

9 5. A remote location from which a collection agent works  
10 shall be deemed to be an extension of the principal place of  
11 business or branch office to which the collection agent is  
12 connected pursuant to paragraph (b) of subsection 1 for the  
13 purposes of this chapter and any other relevant purposes.

14 **Sec. 9. 1.** A collection agency shall develop and implement  
15 a written security policy for collection agents who work from a  
16 remote location to ensure that the data of debtors, customers and  
17 the collection agency is secure and protected from unauthorized  
18 disclosure, access, use, modification, duplication or destruction.  
19 The security policy must include, without limitation:

20 (a) Access to the technological systems of the collection agency  
21 through a virtual private network or other similar network or  
22 system which:

23 (1) Utilizes multifactor authentication, data encryption and  
24 frequent password changes; and

25 (2) Automatically locks a collection agent out of his or her  
26 account if suspicious activity is detected;

27 (b) A procedure to immediately update and repair any security  
28 network or system to ensure that current security technologies are  
29 utilized;

30 (c) A requirement to store all data of debtors, customers and  
31 the collection agency on designated drives that are safe, secure  
32 and expandable;

33 (d) A requirement that collection agents work on electronic  
34 devices that are secured with software and hardware protections  
35 including, without limitation, antivirus software and a firewall;

36 (e) A requirement that collection agents access any system of  
37 the collection agency through an electronic device that has been  
38 issued by the collection agency and a prohibition on using such an  
39 electronic device for personal purposes;

40 (f) A procedure for the containment and disclosure of any  
41 breach of data that occurs, including, without limitation, the  
42 issuance of any disclosure that is required by law;

43 (g) A procedure for the protection of data during a natural  
44 disaster or other emergency that has the potential to impact the  
45 data or electronic devices of the collection agency at a remote



1 *location and the recovery of data after such a natural disaster or*  
2 *other emergency;*

3 *(h) A procedure for the secure disposal of data in accordance*  
4 *with any applicable law or contract;*

5 *(i) A procedure for conducting an annual risk assessment*  
6 *concerning the protection of the data of debtors, customers and*  
7 *the collection agency and a plan to implement new policies based*  
8 *on the results of the risk assessment; and*

9 *(j) Procedures to:*

10 *(1) Prevent a former collection agent from accessing any*  
11 *system of the collection agency;*  
12 *and*

13 *(2) Remotely disable or remove all data from an electronic*  
14 *device owned by the collection agency at the remote location.*

15 *2. A collection agency that complies with the requirements of*  
16 *16 C.F.R. Part 314 satisfies the requirements of this section.*

17 **Sec. 10.** *1. A collection agent working from a remote*  
18 *location shall comply with any applicable federal and state laws,*  
19 *including, without limitation, the provisions of this chapter and*  
20 *the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq.*

21 *2. A collection agency shall:*

22 *(a) Record calls performed by a collection agent conducting*  
23 *collection activities and maintain such recordings for at least 4*  
24 *years; and*

25 *(b) Monitor calls performed by a collection agent conducting*  
26 *collection activities in real time on a regular basis.*

27 *3. A collection agency or collection agent shall not:*

28 *(a) Represent to any person that the collection agent is*  
29 *working independently of the collection agency;*

30 *(b) Use the remote location from which a collection agent is*  
31 *working and any related address, telephone number or facsimile*  
32 *number in advertising for the collection agency;*

33 *(c) Require or invite a debtor to come to a remote location*  
34 *from which a collection agent is working for the purpose of*  
35 *collection activities; or*

36 *(d) Hold out a remote location from which a collection agent is*  
37 *working in such a manner that a debtor is likely to believe that the*  
38 *remote location is the principal place of business or a branch*  
39 *office of the collection agency, including, without limitation, by*  
40 *receiving mail at the remote location, storing records at the remote*  
41 *location or stating to a debtor or customer that the collection agent*  
42 *is working from the remote location.*

43 *4. A collection agency shall:*



(a) *Maintain a record of collection agents who are authorized to work from a remote location which must include, for each such collection agent:*

(1) *The name, telephone number and electronic mail address of the collection agent; and*

(2) *The address of the remote location;*

(b) *Maintain a record of equipment supplied to collection agents for use at a remote location;*

(c) *Review its policies and procedures governing remote work for compliance with sections 7 to 10, inclusive, of this act at least annually and upon request of the Commissioner; and*

(d) *Establish a procedure to ensure that a collection agent working from a remote location does so without acting in any illegal, unethical or unsafe manner.*

**Sec. 11.** 1. *Not later than 30 days after receiving a payment on a claim, a collection agency shall provide a receipt to the debtor if the address of the debtor is known or document in open court receipt of the payment if a civil action concerning the claim is ongoing. Such a receipt must clearly show:*

(a) *The amount paid and date of payment;*

(b) *The name of the entity that received the payment;*

(c) *The current account number;*

(d) *The name of the original creditor;*

(e) *The account number issued by the original creditor; and*

(f) *The remaining balance, if any.*


2. *Not later than 30 days after accepting a payment as payment in full, or as a full and final compromise of a claim, a collection agency shall provide a final statement to the debtor if the address of the debtor is known or document in open court receipt of the payment if a civil action concerning the claim is ongoing. The final statement must include the information described in paragraphs (a) to (e), inclusive, of subsection 1.*

3. *As used in this section, “original creditor” means the person or entity to which a debt was owed at the time of the charge off or default.*

**Sec. 12.** NRS 649.005 is hereby amended to read as follows:

649.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 649.010 to 649.042, inclusive, *and sections 2 to 5, inclusive, of this act* have the meanings ascribed to them in those sections.

**Sec. 13.** NRS 649.010 is hereby amended to read as follows:

649.010 “Claim” means any obligation for the payment of money or its equivalent that is past due , *delinquent or in default and assigned to a collection agency.*





**Sec. 14.** NRS 649.020 is hereby amended to read as follows:

649.020 1. "Collection agency" means all persons engaging, directly or indirectly, and as a primary or a secondary object, business or pursuit, in the collection of or in soliciting or obtaining in any manner the payment of a claim owed or due or asserted to be owed or due to another.

2. "Collection agency" does not include any of the following unless they are conducting collection ~~[agencies:]~~ *activities in a capacity other than that described in this subsection:*

(a) ~~[Individuals]~~ *Natural persons* regularly employed *by an exempt entity* on a regular wage or salary ~~[, in the capacity of credit men or in other similar capacity upon the staff of employees of any person]~~ *who, on behalf of the exempt entity, collect a claim owed to the exempt entity provided that such persons are* not engaged in the business of a collection agency or making or attempting to make collections as an incident to the usual practices of their primary business or profession.

(b) Banks ~~[,]~~ *, savings banks, credit unions, thrift companies or trust companies.*

(c) Nonprofit cooperative associations.

(d) Unit-owners' associations and the board members, officers, employees and units' owners of those associations when acting under the authority of and in accordance with chapter 116 or 116B of NRS and the governing documents of the association, except for those community managers included within the term "collection agency" pursuant to subsection 3.

(e) Abstract companies doing an escrow business.

(f) Duly licensed real estate brokers, except for those real estate brokers who are community managers included within the term "collection agency" pursuant to subsection 3.

(g) Attorneys and counselors at law licensed to practice in this State, so long as they are retained by their clients to collect or to solicit or obtain payment of such clients' claims in the usual course of ~~[the practice of their profession.]~~ *providing legal services.*

(h) *A mortgage servicer licensed pursuant to chapter 645F of NRS, except where such a mortgage servicer is attempting to collect a claim that was assigned when the relevant loan was in default.*

(i) *Any person collecting in his or her own name on a claim that he or she originated.*

(j) *Any person servicing a claim that he or she originated and sold.*

(k) *Any person described in 15 U.S.C. § 1692a(6)(B).*

3. "Collection ~~[agency:]~~ *agency*" includes:



(a) ~~Includes a~~ A community manager while engaged in the management of a common-interest community or the management of an association of a condominium hotel if the community manager, or any employee, agent or affiliate of the community manager, performs or offers to perform any act associated with the foreclosure of a lien pursuant to NRS 116.31162 to 116.31168, inclusive, or 116B.635 to 116B.660, inclusive; and

(b) ~~Does~~ A debt buyer.

4. "Collection agency" does not include any ~~other~~ community manager, *other than a community manager described in paragraph (a) of subsection 3*, while engaged in the management of a common-interest community or the management of an association of a condominium hotel.

~~4.~~ 5. As used in this section:

(a) "Community manager" has the meaning ascribed to it in NRS 116.023 or 116B.050.

(b) "Unit-owners' association" has the meaning ascribed to it in NRS 116.011 or 116B.030.

**Sec. 15.** NRS 649.025 is hereby amended to read as follows:

649.025 "Collection agent" means any person, ~~whether or not regularly employed at a regular wage or salary, who in the capacity of a credit man or in any other similar capacity~~ *who, on behalf of a collection agency*, makes a collection, solicitation or investigation of a claim at a place or location other than the business premises of the collection agency, but does not include:

1. Employees of a collection agency whose activities and duties are restricted to the business premises of the collection agency.

2. The individuals, corporations and associations enumerated in subsection 2 of NRS 649.020.

**Sec. 16.** NRS 649.035 is hereby amended to read as follows:

649.035 ~~["Manager"]~~ *"Chief compliance officer"* means a person who:

1. Holds a ~~manager's~~ *chief compliance officer's* certificate;

2. Is designated as the ~~manager~~ *chief compliance officer* of a collection agency;

3. Shares equally with the holder of a license to conduct a collection agency the responsibility for the operation of the collection agency; and

4. Devotes a majority of the hours he or she works as an employee of the agency to the actual ~~management, operation and administration~~ *oversight and compliance* of that collection agency.

**Sec. 17.** NRS 649.065 is hereby amended to read as follows:

649.065 1. The Commissioner shall keep in the Office of the Commissioner, in a suitable record provided for the purpose, all



1 applications for certificates, licenses and all bonds required to be  
2 filed under this chapter. The record must state the date of issuance  
3 or denial of the license or certificate and the date and nature of any  
4 action taken against any of them.

5 2. All licenses and certificates issued must be sufficiently  
6 identified in the record.

7 3. All renewals must be recorded in the same manner as  
8 originals, except that, in addition, the number of the preceding  
9 license or certificate issued must be recorded.

10 4. Except ~~for confidential information contained therein, the~~  
11 ~~record must be open for inspection as a public record in the Office~~  
12 ~~of the Commissioner.] as otherwise provided in NRS 239.0115, any~~  
13 ~~application and personal or financial records submitted by a~~  
14 ~~person pursuant to the provisions of this chapter and any personal~~  
15 ~~or financial records or other documents obtained by the Division~~  
16 ~~of Financial Institutions of the Department of Business and~~  
17 ~~Industry pursuant to an examination, audit or investigation~~  
18 ~~conducted by the Division are confidential and may be disclosed~~  
19 ~~only to:~~

20 (a) *The Division, any authorized employee of the Division and*  
21 *any state or federal agency investigating activity covered by this*  
22 *chapter.*

23 (b) *The Department of Taxation for its use in carrying out the*  
24 *provisions of chapter 363C of NRS.*

25 (c) *Any person the Commissioner determines should receive*  
26 *the information, if the Commissioner concludes that the protection*  
27 *of the public by disclosure of such confidential information*  
28 *outweighs the interest of the person whose confidential*  
29 *information is to be disclosed. The Commissioner shall provide a*  
30 *person whose confidential information will be disclosed pursuant*  
31 *to this paragraph notice of the intended disclosure and an*  
32 *opportunity to object to the disclosure.*

33 **Sec. 18.** NRS 649.075 is hereby amended to read as follows:

34 649.075 1. Except as otherwise provided in this section, a  
35 person shall not ~~conduct within this State a collection agency or~~  
36 ~~engage] :~~

37 (a) *Engage in the business of a collection agency* within this  
38 State ~~[in the business of collecting claims for others, or of soliciting~~  
39 ~~the right to collect or receive payment for another of any claim, or~~  
40 ~~advertise, or solicit, either in print, by letter, in person or otherwise,~~  
41 ~~the right to collect or receive payment for another of any claim, or~~  
42 ~~seek to make collection or obtain payment of any claim on behalf of~~  
43 ~~another]~~ without having first applied for and obtained a license *as a*  
44 *collection agency* from the Commissioner ~~[ ] ; or~~



(b) *Act as a collection agent within this State without having first applied for and obtained a license as a collection agent from the Commissioner.*

2. ~~[A person is not required to obtain a license if the person holds a certificate of registration as a foreign collection agency issued by the Commissioner pursuant to NRS 649.171.] A person engages in the business of a collection agency or acts as a collection agent in this State for the purposes of subsection 1 if the person is located:~~

(a) *In this State and is seeking to collect a claim, regardless of whether the debtor resided or currently resides in this State or another state;*

(b) *In another state and is seeking to collect a claim from a debtor that resides in this State; or*

(c) *In another state and is seeking to collect a claim on behalf of a person or entity that resides in this State.*

3. *A person engaging in the business of a collection agency shall obtain a license for the office of the principal place of business of the person. A person is not required to obtain a license for each branch office.*

4. *A debt buyer may share a single license as a collection agency with a person affiliated with the debt buyer if the affiliated person does not engage in any collection activities other than purchasing claims.*

**Sec. 19.** NRS 649.085 is hereby amended to read as follows:

649.085 Every individual applicant, every officer and director of a corporate applicant, and every member of a firm or partnership applicant for a license as a collection agency or collection agent must submit proof satisfactory to the Commissioner that he or she:

1. Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business of a collection agency in a manner which protects the interests of the general public.

2. Has not had a collection agency license suspended or revoked within the 10 years immediately preceding the date of the application ~~[ ]~~, *unless the license was suspended for a minor violation that did not harm a debtor and the license was subsequently restored.*

3. Has not been convicted of, or entered a plea of nolo contendere to:

(a) A felony relating to the practice of collection agencies or collection agents; or

(b) Any crime involving fraud, misrepresentation or moral turpitude.



4. Has not made a false statement of material fact on the application.

5. Will maintain ~~one or more offices in this State or one or more offices in another state for the transaction of the business of his or her collection agency.~~ *a physical office as the principal place of business. If a collection agent of the applicant will be working from a remote location, the principal place of business of the applicant must be located in the United States.*

6. Has established a plan to ensure that his or her collection agency will provide the services of a collection agency adequately and efficiently.

**Sec. 20.** NRS 649.095 is hereby amended to read as follows:

649.095 1. An application for a license must be in writing and filed with the Commissioner on a form provided for that purpose.

2. The application must state:

(a) The name of the applicant and the name under which the applicant does business or expects to do business.

(b) The address of the applicant's business and residence, including street and number.

(c) The character of the business sought to be carried on.

(d) ~~The~~ *Except as otherwise provided in this paragraph, the locations by street and number where the business will be transacted ~~is~~, including, without limitation, the location of any branch office. The application is not required to include any remote location from which a collection agent will work.*

(e) In the case of a firm or partnership, the full names and residential addresses of all members or partners and the name and residential address of the ~~manager~~ *chief compliance officer.*

(f) In the case of a corporation or voluntary association, the name and residential address of each of the directors and officers and the name and residential address of the ~~manager~~ *chief compliance officer.*

(g) Any other information reasonably related to the applicant's qualifications for the license which the Commissioner determines to be necessary.

(h) *If the applicant plans to have one or more collection agents work from a remote location, evidence that the applicant is able to comply with the provisions of sections 7 to 10, inclusive, of this act.*

(i) All information required to complete the application.

3. In addition to any other requirements, each applicant or member, partner, director, officer or ~~manager~~ *chief compliance officer* of an applicant shall submit to the Commissioner a complete set of fingerprints and written permission authorizing the Division



1 of Financial Institutions of the Department of Business and Industry  
2 to forward the fingerprints to the Central Repository for Nevada  
3 Records of Criminal History for submission to the Federal Bureau  
4 of Investigation for its report.

5 4. The application must be subscribed by the applicant and  
6 acknowledged.

7 5. Every applicant may be examined concerning the applicant's  
8 competency, experience, character and qualifications by the  
9 Commissioner or the Commissioner's authorized agent, and if the  
10 examination reveals that the applicant lacks any of the required  
11 qualifications, issuance of the license must be denied. Every  
12 application must have attached to it a financial statement showing  
13 the assets, liabilities and net worth of the applicant.

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

24 *7. Any residential address provided to the Commissioner*  
25 *pursuant to this section is confidential and is not a public record*  
26 *for the purposes of chapter 239 of NRS.*

27 **Sec. 21.** NRS 649.105 is hereby amended to read as follows:

28 649.105 1. An applicant for a license must file with the  
29 Commissioner, concurrently with the application, a bond in the sum  
30 of \$35,000, or an appropriate substitute pursuant to NRS 649.119,  
31 which must run to the State of Nevada. The bond must be made and  
32 executed by the principal and a surety company authorized to write  
33 bonds in the State of Nevada.

34 2. The bonds must be conditioned:

35 (a) That the principal, who must be the applicant, must, upon  
36 demand in writing, pay any customer from whom any claim for  
37 collection is received, the proceeds of the collection, in accordance  
38 with the terms of the agreement made between the principal and the  
39 customer; and

40 (b) That the principal must comply with all requirements of this  
41 or any other statute with respect to the duties, obligations and  
42 liabilities of collection agencies.

43 3. ~~[Not later than 3 months after the issuance of the license and~~  
44 ~~semiannually thereafter, the]~~ *The* Commissioner shall *annually*  
45 determine the appropriate amount of bond or appropriate substitute



which must be maintained by the licensee. ~~fin~~ *If applicable, such a determination must be in* accordance with the licensee's average monthly balance in the trust account maintained pursuant to NRS 649.355:

AVERAGE MONTHLY BALANCE	AMOUNT OF BOND REQUIRED
Less than \$100,000.....	\$35,000
\$100,000 or more but less than \$150,000.....	40,000
\$150,000 or more but less than \$200,000.....	50,000
\$200,000 or more .....	60,000

**Sec. 22.** NRS 649.135 is hereby amended to read as follows:

649.135 1. The Commissioner shall ~~enter an order approving the~~ *approve an* application for a license ~~and keep on file his or her findings of fact pertaining thereto, and permit the applicant to take the required examination,~~ if the Commissioner finds that the applicant has met all the other requirements of this chapter pertaining to the applicant's qualifications and application.

2. *Upon the approval of the application, the payment of any required fees and the submission of any required information, the Commissioner shall:*

(a) *Notify the applicant of the approval and issue a unique license number to the applicant; and*

(b) *Update any applicable public record maintained by the Commissioner to show that the person holds an active license that authorizes the person to conduct collection activities in this State.*

**Sec. 23.** NRS 649.155 is hereby amended to read as follows:

649.155 1. If the Commissioner finds that any application or applicant for a collection agency license does not meet the requirements of NRS 649.135, ~~for the applicant fails to pass the required examination,~~ the Commissioner shall enter an order denying the application.

2. Within 10 days after the entry of such an order, the Commissioner shall mail or deliver to the applicant written notice of the denial in which all the reasons for such denial are stated.

**Sec. 24.** NRS 649.165 is hereby amended to read as follows:

649.165 Upon ~~receipt~~ *notification* of the ~~license~~ *approval of the application by the Commissioner pursuant to NRS 649.135,* the licensee shall have the right to conduct the business of a collection agency with all the powers and privileges contained in, but subject to, the provisions of this chapter.

**Sec. 25.** NRS 649.167 is hereby amended to read as follows:

649.167 1. ~~[A collection agency licensed in this State may apply to the Commissioner for a permit]~~ *A license as a collection*





agency granted pursuant to NRS 649.135 is valid for the principal place of business and any branch office of the licensee.

2. Immediately upon beginning to operate a branch office ~~in this State~~ in a location not ~~previously approved by its license.~~

~~2. The Commissioner shall not issue a permit for a branch office until the principal office of the collection agency has been examined by the Commissioner and found to be satisfactory.~~

~~3. A branch office must have a manager on the premises during regular business hours.~~

~~4. The Commissioner shall adopt regulations concerning an application for a permit to operate a branch office.]~~ provided to the Commissioner on the application submitted pursuant to NRS 649.095, a collection agency shall notify the Commissioner in writing of the location of the branch office.

Sec. 26. NRS 649.196 is hereby amended to read as follows:

649.196 1. Each applicant for a ~~manager's~~ chief compliance officer's certificate must submit proof satisfactory to the Commissioner that the applicant:

(a) Is at least 21 years of age.

(b) Has a good reputation for honesty, trustworthiness and integrity and is competent to ~~transact the business~~ oversee the compliance of a collection agency in a manner which protects the interests of the general public.

(c) Has not committed any of the acts specified in NRS 649.215.

(d) Has not had a collection agency license or ~~manager's~~ chief compliance officer's certificate suspended or revoked within the 10 years immediately preceding the date of filing the application ~~],~~ unless the license or certificate was suspended for a minor violation that did not harm a debtor and was subsequently restored.

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

(f) Has had not less than 2 years' full-time experience with a collection agency in the collection of accounts ~~assigned by creditors who were not affiliated with the collection agency except as assignors of accounts.]~~ or with a financial institution or as a chief compliance officer. At least 1 year of the 2 years of experience must have been within the 18-month period preceding the date of filing the application.

2. Each applicant must:

(a) ~~Pass the examination or reexamination provided for in NRS 649.205.~~

~~(b)]~~ Pay the required fees.

~~(c) Submit, in such form as the Commissioner prescribes:~~





~~(1) Three recent photographs; and~~  
~~(2) Three complete sets of fingerprints which the Commissioner may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.~~

~~(d)] (b) Submit such [other] information reasonably related to his or her qualifications for the [manager's] chief compliance officer's certificate as the Commissioner determines to be necessary.~~

3. The Commissioner may refuse to issue a [manager's] chief compliance officer's certificate if the applicant does not meet the requirements of subsections 1 and 2.

4. If the Commissioner refuses to issue a [manager's] chief compliance officer's certificate pursuant to this section, the Commissioner shall notify the applicant in writing by certified mail stating the reasons for the refusal. The applicant may submit a written request for a hearing within 20 days after receiving the notice. If the applicant fails to submit a written request within the prescribed period, the Commissioner shall enter a final order.

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

**Sec. 27.** NRS 649.215 is hereby amended to read as follows:

649.215 The Commissioner may refuse to [permit an applicant for a manager's] issue a chief compliance officer's certificate [to take the examination,] or, after a hearing, may suspend or revoke a [manager's] chief compliance officer's certificate if the applicant or [manager] chief compliance officer has:

1. Committed or participated in any act which, if committed or done by a licensee, would be grounds for the suspension or revocation of a license.

2. Been refused a license or certificate pursuant to this chapter or had such a license or certificate suspended or revoked.

3. Participated in any act, which act was a basis for the refusal or revocation of a collection agency license.

4. Falsified any of the information submitted to the Commissioner in support of an application pursuant to this chapter.



5. Impersonated, or permitted or aided and abetted another to impersonate, a law enforcement officer or employee of the United States, a state or any political subdivision thereof.

6. Made any statement in connection with his or her employment with a collection agency with the intent to give an impression that he or she was a law enforcement officer of the United States, a state or political subdivision thereof.

**Sec. 28.** NRS 649.225 is hereby amended to read as follows:

649.225 1. The Commissioner shall issue a ~~{manager's}~~ *chief compliance officer's* certificate to any applicant who meets the requirements of this chapter for the certificate. *Each certificate must have a unique identification number.*

2. Each ~~{manager}~~ *chief compliance officer* holding a ~~{manager's}~~ *chief compliance officer's* certificate issued pursuant to this chapter shall notify the Commissioner in writing of any change in his or her residence address within 10 days after the change.

**Sec. 29.** NRS 649.295 is hereby amended to read as follows:

649.295 1. A nonrefundable fee of not more than \$500 for the application ~~{and survey}~~ must accompany each new application for a license as a collection agency. Each applicant shall also pay any additional expenses incurred in the process of investigation. All money received by the Commissioner pursuant to this subsection must be placed in the Investigative Account created by NRS 232.545.

2. A fee of not less than \$200 or more than \$600, prorated on the basis of the licensing year as provided by the Commissioner, must be charged for each original license issued. A fee of not more than \$500 must be charged for each annual renewal of a license.

3. A fee of not more than \$20 must be charged for each ~~{duplicate license or}~~ license for a transfer of location issued.

4. A nonrefundable application fee of not more than \$500 and a nonrefundable investigation fee of not more than \$150 must accompany each application for a ~~{manager's}~~ *chief compliance officer's* certificate.

5. A fee of not more than \$40 must be charged for each ~~{manager's}~~ *chief compliance officer's* certificate issued and for each annual renewal of such a certificate.

6. A fee of not more than \$60 must be charged for the reinstatement of a ~~{manager's}~~ *chief compliance officer's* certificate.

7. A fee of not more than \$10 must be charged for each day an application for the renewal of a license or certificate, or a required report, is filed late, unless the fee or portion thereof is excused by the Commissioner for good cause shown.



8. ~~[A nonrefundable fee of not more than \$250 for the application and an examination must accompany each application for a permit to operate a branch office of a licensed collection agency. A fee of not more than \$500 must be charged for each annual renewal of such a permit.]~~

—9.] For each examination the Commissioner shall charge and collect from the licensee a fee for conducting the examination and preparing and typing the report of the examination at the rate established and, if applicable, adjusted pursuant to NRS 658.101. Failure to pay the fee within 30 days after receipt of the bill is a ground for revoking the collection agency's license.

~~[10.]~~ 9. Except as otherwise provided in NRS 658.101, the Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.

~~[11.]~~ 10. Except as otherwise provided in subsection 1, all money received by the Commissioner pursuant to this chapter must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

**Sec. 30.** NRS 649.305 is hereby amended to read as follows:

649.305 1. No collection agency may operate its business without a ~~[manager]~~ *chief compliance officer* who holds a valid ~~[manager's]~~ *chief compliance officer's* certificate issued under the provisions of this chapter.

2. *Except as otherwise provided in this subsection, a chief compliance officer must not be employed by more than one collection agency or employed by a collection agency and an exempt entity at the same time. A chief compliance officer may be simultaneously employed by a collection agency and an affiliate of that collection agency.*

**Sec. 31.** NRS 649.325 is hereby amended to read as follows:

649.325 1. A collection agency shall not remove its business location from the place of business as stated in the ~~[license]~~ *record of the licensee* except upon prior approval by the Commissioner in writing.

2. If the removal is approved, the Commissioner shall note the change ~~[upon the face of the license and enter in his or her records a notation of that change.]~~ *in the record of the licensee.*

**Sec. 32.** NRS 649.330 is hereby amended to read as follows:

649.330 1. A collection agency shall immediately notify the Commissioner of any change:

- (a) Of the ~~[manager]~~ *chief compliance officer* of the agency; or
- (b) If the agency is a corporation, in the ownership of 5 percent or more of its outstanding voting stock.

2. An application must be submitted to the Commissioner, pursuant to NRS 649.095, by:



(a) The person who replaces the ~~{manager;}~~ *chief compliance officer;* and

(b) A person who acquires:

(1) At least 25 percent of the outstanding voting stock of an agency; or

(2) Any outstanding voting stock of an agency if the change will result in a change in the control of the agency.

➤ Except as otherwise provided in subsection 4, the Commissioner shall conduct an investigation to determine whether the applicant has the competence, experience, character and qualifications necessary for the licensing of a collection agency. If the Commissioner denies the application, the Commissioner may ~~{in his or her order}~~ forbid the applicant from participating in the business of the collection agency.

3. The collection agency with which the applicant is affiliated shall pay such expenses incurred in the investigation as the Commissioner deems necessary. All money received by the Commissioner pursuant to this subsection must be placed in the Investigative Account created by NRS 232.545.

4. A collection agency may submit a written request to the Commissioner to waive an investigation pursuant to subsection 2. The Commissioner may grant a waiver if the applicant has undergone a similar investigation by a state or federal agency in connection with the licensing of or the applicant's employment with a financial institution.

**Sec. 33.** NRS 649.332 is hereby amended to read as follows:

649.332 1. To verify a ~~{debt;}~~ *claim*, a collection agency shall:

(a) Obtain or attempt to obtain from the creditor any document that is not in the possession of the collection agency and is reasonably responsive to the dispute of the debtor, if any; and

(b) If such a document is obtained, mail the document to the debtor.

2. When collecting a ~~{debt}~~ *claim* on behalf of a hospital, within 5 days after the initial communication with the debtor in connection with the collection of the ~~{debt;}~~ *claim*, a collection agency shall, unless the following information is included in the initial communication, send a written notice to the debtor that includes a statement indicating that:

(a) If the debtor pays or agrees to pay the ~~{debt}~~ *claim* or any portion of the ~~{debt;}~~ *claim*, the payment or agreement to pay ~~{may}~~ :

(1) *May* be construed as ~~{~~ :

~~—(1) An~~ *an* acknowledgment of the ~~{debt}~~ *claim* by the debtor; and



(2) ~~[A]~~ *As provided in NRS 11.200, does not constitute a* waiver by the debtor of any applicable statute of limitations set forth in NRS 11.190 that otherwise precludes the collection of the ~~[debt]~~ *claim*; and

(b) If the debtor does not understand or has questions concerning his or her legal rights or obligations relating to the ~~[debt]~~ *claim*, the debtor should seek legal advice.

3. As used in this section, "hospital" has the meaning ascribed to it in NRS 449.012.

**Sec. 34.** NRS 649.334 is hereby amended to read as follows:

649.334 1. The terms and conditions of any written agreement between a collection agency and a customer must be specific, intelligible and unambiguous. In the absence of a written agreement, unless the conduct of the parties indicates a different mutual understanding, the understanding of the customer concerning the terms of the agreement must govern in any dispute between the customer and the collection agency.

2. Unless a written agreement between the parties otherwise provides, any money collected on a claim, after court costs have been recovered, must first be credited to the principal amount of the claim. Any interest charged and collected on the claim must be allocated pursuant to the agreement between the customer and the collection agency.

3. Except with the consent of its customer, a collection agency shall not accept less than the full amount of a claim in settlement of an assigned claim.

4. A collection agency shall, at the time it remits to the customer the money it collected on behalf of the customer, give each customer an accounting in writing of the money it collected on behalf of the customer in connection with a claim.

**5. This section does not apply to a debt buyer who is not otherwise acting as a collection agency.**

**Sec. 35.** NRS 649.3345 is hereby amended to read as follows:

649.3345 1. Unless a written agreement between the parties otherwise provides, a customer may withdraw, without obligation, any claim assigned to a collection agency at any time 6 months after the date of the assignment if:

(a) The customer gives written notice of the withdrawal to the collection agency not less than 60 days before the effective date of the withdrawal; and

(b) The claim is not in the process of being collected.

2. As used in this section, "in the process of being collected," means that:

(a) A payment on the claim has been received after the date of the assignment;



(b) An action on the claim has been filed by or on behalf of the collection agency;

(c) The claim has been forwarded to another collection agency for collection;

(d) A lawful and sufficient claim or notice of lien has been filed by the collection agency on behalf of the customer to ensure payment from money distributed in connection with the probate of an estate, proceeding in bankruptcy, assignment for the benefit of creditors or any similar proceeding; or

(e) The collection agency has obtained from the debtor an enforceable written promise to make payment.

3. Upon the withdrawal of any claim, the collection agency shall return to the customer any documents, records or other items relating to the claim that have been supplied by the customer.

*4. This section does not apply to a debt buyer who is not otherwise acting as a collection agency.*

**Sec. 36.** NRS 649.345 is hereby amended to read as follows:

649.345 1. Each licensed collection agency shall file with the Commissioner a written report, signed and sworn to by its ~~manager,~~ *chief compliance officer*, no later than ~~January 31~~ *April 15* of each year, unless the Commissioner determines that there is good cause for later filing of the report. The report must include:

(a) ~~The~~ *If applicable, the* total sum of money due to all creditors as of the close of the last business day of the preceding month.

(b) ~~The~~ *If applicable, the* total sum on deposit in customer trust fund accounts and available for immediate distribution as of the close of the last business day of the preceding month, the title of the trust account or accounts, and the name of the banks or credit unions where the money is deposited.

(c) ~~The~~ *If applicable, the* total amount of creditors' or forwarders' share of money collected more than 60 days before the last business day of the preceding month and not remitted by that date.

(d) When the total sum under paragraph (c) exceeds \$10, the name of each creditor or forwarder and the respective share of each in that sum.

(e) Such other information, audit or reports as the Commissioner may require.

2. The filing of any report required by this section which is known by the collection agency to contain false information or statements constitutes grounds for the suspension of the agency's license or the ~~manager's~~ *chief compliance officer's* certificate, or both.



**Sec. 37.** NRS 649.347 is hereby amended to read as follows:

649.347 1. Each licensed collection agency shall file with the Commissioner a written report not later than January 31 of each year, unless the Commissioner determines that there is good cause for later filing of the report. The report must include:

(a) The number of cases in which the collection agency collected a ~~debt~~ *claim* for a unit-owners' association during the immediately preceding year;

(b) The name of each unit-owners' association for which the collection agency collected a ~~debt~~ *claim* during the immediately preceding year and the amount of money collected for each such unit-owners' association;

(c) The total amount of money collected by the collection agency for unit-owners' associations during the immediately preceding year;

(d) The zip code of each debtor from whom the collection agency collected a ~~debt~~ *claim* for a unit-owners' association during the immediately preceding year; and

(e) A statement, signed by the ~~manager~~ *chief compliance officer* of the collection agency, affirming that the collection agency did not collect a ~~debt~~ *claim* against any person during the immediately preceding year in violation of the provisions of paragraph (i) of subsection 1 of NRS 649.375.

2. As used in this section, "unit-owners' association" has the meaning ascribed to it in NRS 116.011 or 116B.030.

**Sec. 38.** NRS 649.355 is hereby amended to read as follows:

649.355 1. Every collection agency and collection agent shall openly, fairly and honestly conduct the collection agency business and shall at all times conform to the accepted business ethics and practices of the collection agency business.

2. Every licensee shall at all times maintain a separate account in a bank or credit union in which must be deposited all money collected. ~~Except as otherwise provided in regulations adopted by the Commissioner pursuant to NRS 649.054, the~~ *The* account must be maintained in a bank or credit union located in this State and bear some title sufficient to distinguish it from the licensee's personal or general checking account and to designate it as a trust account, such as "customer's trust fund account." The trust account must at all times contain sufficient money to pay all money due or owing to all customers, and no disbursement may be made from the account except to customers or to pay costs advanced for those customers, except that a licensee may periodically withdraw from the account such money as may accrue to the licensee from collections deposited or from adjustments resulting from costs advanced and payments made directly to customers.





3. Every licensee maintaining a separate custodial or trust account shall keep a record of all money deposited in the account, which must indicate clearly the date and from whom the money was received, the date deposited, the dates of withdrawals and other pertinent information concerning the transaction, and must show clearly for whose account the money is deposited and to whom the money belongs. The money must be remitted to the creditors respectively entitled thereto within 30 days following the end of the month in which payment is received. The records and money are subject to inspection by the Commissioner or the Commissioner's authorized representative. The records must be maintained at the premises in this State at which the licensee is authorized to conduct business.

4. If the Commissioner finds that a licensee's records are not maintained pursuant to subsections 2 and 3, the Commissioner may require the licensee to deliver an audited financial statement prepared from his or her records by a certified public accountant who holds a certificate to engage in the practice of public accounting in this State. The statement must be submitted within 60 days after the Commissioner requests it. The Commissioner may grant a reasonable extension for the submission of the financial statement if an extension is requested before the statement is due.

*5. Subsections 2, 3 and 4 do not apply to a debt buyer who is not otherwise acting as a collection agency.*

**Sec. 39.** NRS 649.365 is hereby amended to read as follows:

649.365 1. A collection agency licensed under this chapter must obtain the approval of the Commissioner before using or changing a business name.

2. A collection agency licensed under this chapter shall not:

(a) ~~Use~~ *Except as authorized for a debt buyer in NRS 649.075, use* any business name which is identical or similar to a business name used by another collection agency licensed under this chapter or which may mislead or confuse the public.

(b) Use any printed forms which may mislead or confuse the public.

(c) Use the term "credit bureau" in its name unless it operates a bona fide credit bureau in conjunction with its collection agency business. For purposes of this paragraph, "credit bureau" means any person engaged in gathering, recording and disseminating information relative to the creditworthiness, financial responsibility, paying habits or character of persons being considered for credit extension for prospective creditors.

**Sec. 40.** NRS 649.375 is hereby amended to read as follows:

649.375 1. A collection agency, or its ~~manager,~~ *chief compliance officer*, agents or employees, shall not:





(a) Use any device, subterfuge, pretense or deceptive means or representations to collect any ~~debt~~ claim, nor use any collection letter, demand or notice which simulates a legal process or purports to be from any local, city, county, state or government authority or attorney.

(b) Collect or attempt to collect any interest, charge, fee or expense incidental to the principal obligation unless:

(1) Any such interest, charge, fee or expense as authorized by law *or contract* or as agreed to by the parties has been added to the principal of the ~~debt~~ claim by the creditor before receipt of the item of collection;

(2) Any such interest, charge, fee or expense as authorized by law *or contract* or as agreed to by the parties has been added to the principal of the ~~debt~~ claim by the collection agency and described as such in the first written communication with the debtor; or

(3) The interest, charge, fee or expense has been judicially determined as proper and legally due from and chargeable against the debtor.

(c) Assign or transfer any claim or account upon termination or abandonment of its collection business unless prior written consent by the customer is given for the assignment or transfer. The written consent must contain an agreement with the customer as to all terms and conditions of the assignment or transfer, including the name and address of the intended assignee. Prior written consent of the Commissioner must also be obtained for any bulk assignment or transfer of claims or accounts, and any assignment or transfer may be regulated and made subject to such limitations or conditions as the Commissioner by regulation may reasonably prescribe.

(d) Operate its business or solicit claims for collection from any location, address or post office box other than that listed on its license or as may be prescribed by the Commissioner ~~§~~, *except for employees of a collection agency working from a remote location pursuant to sections 7 to 10, inclusive, of this act.*

(e) Harass a debtor's employer in collecting or attempting to collect a claim, nor engage in any conduct that constitutes harassment as defined by regulations adopted by the Commissioner.

(f) Advertise for sale or threaten to advertise for sale any claim as a means to enforce payment of the claim, unless acting under court order.

(g) Publish or post, or cause to be published or posted, any list of debtors except for the benefit of its stockholders or membership in relation to its internal affairs.

(h) Conduct or operate, in conjunction with its collection agency business, a debt counseling or prorater service for a debtor who has



1 incurred a ~~debt~~ **claim** primarily for personal, family or household  
2 purposes whereby the debtor assigns or turns over to the counselor  
3 or prorater any of the debtor's earnings or other money for  
4 apportionment and payment of the ~~debtor's debts~~ **claim** or  
5 obligations ~~of the debtor~~. This section does not prohibit the  
6 conjunctive operation of a business of commercial debt adjustment  
7 with a collection agency if the business deals exclusively with the  
8 collection of commercial debt.

9 (i) Collect a ~~debt~~ **claim** from a person who owes fees to:

10 (1) A unit-owners' association, if the collection agency is:

11 (I) Owned or operated by or is an affiliate of a person or  
12 entity who is the community manager for the unit-owners'  
13 association; or

14 (II) Owned or operated by a relative of a person who is  
15 the community manager for the unit-owners' association.

16 (2) A person or entity who is an operator of a tow car, if the  
17 collection agency is:

18 (I) Owned or operated by or is an affiliate of a person or  
19 entity who is the operator of a tow car; or

20 (II) Owned or operated by a relative of a person who is  
21 the operator of a tow car.

22 (3) A person or entity who engages in the business of, acts in  
23 the capacity of or assumes to act as a property manager of an  
24 apartment building, if the collection agency is:

25 (I) Owned or operated by or is an affiliate of the person or  
26 entity who engages in the business of, acts in the capacity of or  
27 assumes to act as the property manager of an apartment building; or

28 (II) Owned or operated by a relative of the person who  
29 engages in the business of, acts in the capacity of or assumes to act  
30 as the property manager of an apartment building.

31 ***(j) File a civil action to collect a debt when the collection***  
32 ***agency, chief compliance officer, agent or employee knows or***  
33 ***should know that the applicable limitation period for filing such***  
34 ***an action has expired.***

35 ***(k) Sell an interest in a resolved claim or any personal or***  
36 ***financial information related to the resolved claim.***

37 2. As used in this section:

38 (a) "Affiliate" means a person who directly or indirectly,  
39 through one or more intermediaries, controls or is controlled by or is  
40 under common control with another designated person.

41 (b) "Community manager" has the meaning ascribed to it in  
42 NRS 116.023 or 116B.050.

43 (c) "Operator of a tow car" means a person or entity required by  
44 NRS 706.4463 to obtain a certificate of public convenience and  
45 necessity.



(d) "Property manager" has the meaning ascribed to it in NRS 645.0195.

(e) "Relative" means a person who is related by blood, adoption, marriage or domestic partnership within the third degree of consanguinity or affinity.

(f) "Unit-owners' association" has the meaning ascribed to it in NRS 116.011 or 116B.030.

**Sec. 41.** NRS 11.200 is hereby amended to read as follows:

11.200 **1.** The time in NRS 11.190 shall be deemed to date from the last transaction or the last item charged or last credit given; and whenever any payment on principal or interest has been or shall be made upon an existing contract, whether it be a bill of exchange, promissory note or other evidence of indebtedness if such payment be made after the same shall have become due, the limitation shall commence from the time the last payment was made.

**2.** *Notwithstanding any other provision of law, any payment on a debt, affirmation of a debt or other activity taken relating to a debt by a debtor after the time in NRS 11.190 has expired does not revive or extend the applicable limitation.*

**Sec. 42.** Chapter 40 of NRS is hereby amended by adding thereto the provisions set forth as sections 43 to 47, inclusive of this act.

**Sec. 43.** *As used in sections 43 to 47, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 44 and 45 of this act have the meanings ascribed to them in those sections.*

**Sec. 44.** *"Claim" has the meaning ascribed to it in NRS 649.010.*

**Sec. 45.** *"Collection agency" has the meaning ascribed to it in NRS 649.020.*

**Sec. 46.** **1.** *A complaint filed by a collection agency to collect an unsecured claim must include the following information:*

*(a) The name and address of the debtor, including, without limitation, any different name and address of the debtor found in the records of the original creditor at the time of charge off or default;*

*(b) The nature of the claim and the transaction from which the claim arose;*

*(c) At least the last four digits of the account number or other account identifier used before the claim was charged off or defaulted;*

*(d) The date and amount of the last payment, if any, made to partially satisfy the claim;*



(e) *The date of the charge off or default and the underlying facts leading to the charge off or default;*

(f) *The grounds on which the collection agency is authorized to bring the claim;*

(g) *Facts sufficient to establish that the complaint is being filed in the proper venue;*

(h) *Facts sufficient to establish that the complaint is being filed within the applicable period of limitation set forth in NRS 11.190;*

(i) *The name and address of the original creditor, including, without limitation, any industry name or the name used when the original creditor issued the original debt on which the claim is based to the debtor;*

(j) *The total amount of the claim for which the collection agency is requesting a judgment, including, without limitation:*

(1) *The amounts of the principal of the claim, finance charges associated with the claim and any additional costs and fees, including, without limitation, attorney's fees; or*

(2) *If the claim relates to a line of credit or similar debt with an open limit amount, the amount of the claim at charge off or default and any additional finance charges and any additional costs and fees, including, without limitation, attorney's fees;*

(k) *The name of each person who possessed the claim, including, without limitation, any industry name or the name used when the person possessed the claim;*

(l) *The date of each transfer of the claim; and*

(m) *Proof that the collection agency possesses an active license issued pursuant to chapter 649 of NRS and the license number issued to the collection agency by the Commissioner pursuant to NRS 649.135.*

2. *A complaint described in subsection 1 must be accompanied by authenticated records to establish the facts described in subsection 1, including, without limitation:*

(a) *An authenticated record of:*

(1) *An agreement signed by the debtor evidencing the creation of the debt that is the basis for the claim;*

(2) *Documentation of a purchase or payment or the use of an account that resulted in the debt that is the basis for the claim; or*

(3) *Other documentation establishing the debt that is the basis for the claim; and*

(b) *An authenticated record documenting the authority of the collection agency to collect the claim if the collection agency is not the original creditor.*



3. A document submitted to a court as part of an action that began with a complaint filed pursuant to this section that contains personal identifying information relating to the debtor must be filed in accordance with the Nevada Rules for Sealing and Redacting Court Records.

4. An agreement between a plaintiff that is a collection agency and a defendant to settle an action to collect an unsecured claim must be documented in open court or otherwise reduced to writing. The plaintiff shall ensure that a copy of the court minutes and any opinion or order of the court or the written agreement is provided to the defendant by mail or electronic communication.

5. As used in this section:

(a) “Original creditor” means the person or entity to which a debt was owed at the time of the charge off or default.

(b) “Personal identifying information” has the meaning ascribed to it in NRS 205.4617.

**Sec. 47. 1.** A plaintiff that is a collection agency in an action to collect an unsecured claim shall serve the defendant a notice of intent to file a motion for default judgment at least 14 days before filing the motion.

2. The notice required by subsection 1 must be in a form of standard notice adopted by the court or include, without limitation:

(a) A statement explaining to the defendant that:

(1) If a written response to the motion for default judgment is not received by the date required pursuant to applicable law or court rules, a default judgment may be entered against the defendant;

(2) If a judgment is entered against the defendant, the judgment remains in effect for at least 6 years pursuant to NRS 70.010;

(3) The judgment will be in the amount of the unsecured claim plus interest on the judgment pursuant to NRS 17.130;

(4) The defendant may seek legal representation from a private attorney or, if the defendant is unable to afford a private attorney, a legal services agency; and

(5) The defendant or a representative of the defendant may contact counsel for the plaintiff to discuss settlement options that may be more favorable to the consumer than a default judgment; and

(b) A telephone number and address of a legal services agency that assists people in resolving legal disputes concerning the collection of debts in the area where the defendant resides.



**Sec. 48.** NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and  
NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095,  
49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030,  
62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152,  
80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413,  
87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345,  
88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270,  
116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280,  
119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640,  
120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730,  
127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312,  
130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.015,  
176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715,  
178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771,  
200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392,  
209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140,  
213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464,  
217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240,  
218G.350, 224.240, 226.300, 228.270, 228.450, 228.495, 228.570,  
231.069, 231.1473, 232.1369, 233.190, 237.300, 239.0105,  
239.0113, 239.014, 239B.026, 239B.030, 239B.040, 239B.050,  
239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 239C.420,  
240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335,  
247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150,  
268.095, 268.0978, 268.490, 268.910, 269.174, 271A.105, 281.195,  
281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755,  
281A.780, 284.4068, 284.4086, 286.110, 286.118, 287.0438,  
289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503,  
293.504, 293.558, 293.5757, 293.870, 293.906, 293.908, 293.910,  
293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335,  
338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420,  
349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100,  
353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.2242,  
361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080,  
378.290, 378.300, 379.0075, 379.008, 379.1495, 385A.830,  
385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503,  
388.513, 388.750, 388A.247, 388A.249, 391.033, 391.035,  
391.0365, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271,  
392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 393.045,  
394.167, 394.16975, 394.1698, 394.447, 394.460, 394.465,  
396.1415, 396.1425, 396.143, 396.159, 396.3295, 396.405, 396.525,  
396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888,  
408.5484, 412.153, 414.280, 416.070, 422.2749, 422.305,  
422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028,



1 432.205, 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407,  
2 432B.430, 432B.560, 432B.5902, 432C.140, 432C.150, 433.534,  
3 433A.360, 439.4941, 439.4988, 439.840, 439.914, 439A.116,  
4 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170,  
5 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735,  
6 442.774, 445A.665, 445B.570, 445B.7773, 447.345, 449.209,  
7 449.245, 449.4315, 449A.112, 450.140, 450B.188, 450B.805,  
8 453.164, 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555,  
9 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403,  
10 463.3407, 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940,  
11 481.063, 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340,  
12 483.363, 483.575, 483.659, 483.800, 484A.469, 484B.830,  
13 484B.833, 484E.070, 485.316, 501.344, 503.452, 522.040,  
14 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098,  
15 598A.110, 598A.420, 599B.090, 603.070, 603A.210, 604A.303,  
16 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350,  
17 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137, 624.110,  
18 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,  
19 628B.760, 629.047, 629.069, 630.133, 630.2671, 630.2672,  
20 630.2673, 630.30665, 630.336, 630A.327, 630A.555, 631.332,  
21 631.368, 632.121, 632.125, 632.3415, 632.3423, 632.405, 633.283,  
22 633.301, 633.4715, 633.4716, 633.4717, 633.524, 634.055,  
23 634.1303, 634.214, 634A.169, 634A.185, 635.111, 635.158,  
24 636.262, 636.342, 637.085, 637.145, 637B.192, 637B.288, 638.087,  
25 638.089, 639.183, 639.2485, 639.570, 640.075, 640.152, 640A.185,  
26 640A.220, 640B.405, 640B.730, 640C.580, 640C.600, 640C.620,  
27 640C.745, 640C.760, 640D.135, 640D.190, 640E.225, 640E.340,  
28 641.090, 641.221, 641.2215, 641.325, 641A.191, 641A.217,  
29 641A.262, 641B.170, 641B.281, 641B.282, 641C.455, 641C.760,  
30 641D.260, 641D.320, 642.524, 643.189, 644A.870, 645.180,  
31 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220,  
32 645C.225, 645D.130, 645D.135, 645G.510, 645H.320, 645H.330,  
33 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, **649.095**,  
34 652.126, 652.228, 653.900, 654.110, 656.105, 657A.510, 661.115,  
35 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450,  
36 673.480, 675.380, 676A.340, 676A.370, 677.243, 678A.470,  
37 678C.710, 678C.800, 679B.122, 679B.124, 679B.152, 679B.159,  
38 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260,  
39 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170,  
40 686C.306, 687A.060, 687A.115, 687B.404, 687C.010, 688C.230,  
41 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507,  
42 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615,  
43 696B.550, 696C.120, 703.196, 704B.325, 706.1725, 706A.230,  
44 710.159, 711.600, sections 35, 38 and 41 of chapter 478, Statutes of  
45 Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013



1 and unless otherwise declared by law to be confidential, all public  
2 books and public records of a governmental entity must be open at  
3 all times during office hours to inspection by any person, and may  
4 be fully copied or an abstract or memorandum may be prepared  
5 from those public books and public records. Any such copies,  
6 abstracts or memoranda may be used to supply the general public  
7 with copies, abstracts or memoranda of the records or may be used  
8 in any other way to the advantage of the governmental entity or of  
9 the general public. This section does not supersede or in any manner  
10 affect the federal laws governing copyrights or enlarge, diminish or  
11 affect in any other manner the rights of a person in any written book  
12 or record which is copyrighted pursuant to federal law.

13 2. A governmental entity may not reject a book or record  
14 which is copyrighted solely because it is copyrighted.

15 3. A governmental entity that has legal custody or control of a  
16 public book or record shall not deny a request made pursuant to  
17 subsection 1 to inspect or copy or receive a copy of a public book or  
18 record on the basis that the requested public book or record contains  
19 information that is confidential if the governmental entity can  
20 redact, delete, conceal or separate, including, without limitation,  
21 electronically, the confidential information from the information  
22 included in the public book or record that is not otherwise  
23 confidential.

24 4. If requested, a governmental entity shall provide a copy of a  
25 public record in an electronic format by means of an electronic  
26 medium. Nothing in this subsection requires a governmental entity  
27 to provide a copy of a public record in an electronic format or by  
28 means of an electronic medium if:

29 (a) The public record:

30 (1) Was not created or prepared in an electronic format; and

31 (2) Is not available in an electronic format; or

32 (b) Providing the public record in an electronic format or by  
33 means of an electronic medium would:

34 (1) Give access to proprietary software; or

35 (2) Require the production of information that is confidential  
36 and that cannot be redacted, deleted, concealed or separated from  
37 information that is not otherwise confidential.

38 5. An officer, employee or agent of a governmental entity who  
39 has legal custody or control of a public record:

40 (a) Shall not refuse to provide a copy of that public record in the  
41 medium that is requested because the officer, employee or agent has  
42 already prepared or would prefer to provide the copy in a different  
43 medium.

44 (b) Except as otherwise provided in NRS 239.030, shall, upon  
45 request, prepare the copy of the public record and shall not require





the person who has requested the copy to prepare the copy himself or herself.

**Sec. 49.** Section 6 of this act is hereby amended to read as follows:

Sec. 6. *1.* A collection agency shall display on any Internet website maintained by the collection agency:

~~1.] (a) The [license number issued to] unique identifier registered with the Registry for the collection agency . [by the Commissioner pursuant to NRS 649.135.~~

~~2.] (b) The certificate identification number of the certificate issued to the chief compliance officer of the collection agency by the Commissioner pursuant to NRS 649.225.~~

*(c) The unique identifier registered with the Registry for the chief compliance officer of the collection agency.*

*2. As used in this section, “unique identifier” has the meaning ascribed to it in NRS 649.281.*

**Sec. 50.** 1. Notwithstanding the amendatory provisions of this act, a debt buyer who is operating in this State on October 1, 2023 may continue such operations until January 1, 2024, without applying for a license as a collection agency pursuant to NRS 649.095, as amended by section 20 of this act. If the debt buyer applies for such a license on or before January 1, 2024, the debt buyer may continue such operation in this State without holding such a license until the license is issued or the application is denied.

2. The provisions of sections 41, 46 and 47 of this act apply to an action commenced or a judgment entered on or after October 1, 2023.

3. As used in this section:

(a) “Collection agency” has the meaning ascribed to it in NRS 649.020, as amended by section 14 of this act.

(b) “Debt buyer” has the meaning ascribed to it in section 3 of this act.

**Sec. 51.** The Legislative Counsel shall:

1. In preparing the Nevada Revised Statutes, use the authority set forth in subsection 10 of NRS 220.120 to substitute appropriately the term “chief compliance officer” for the term “manager” as previously used in reference to the person responsible for a collection agency.

2. In preparing supplements to the Nevada Administrative Code, substitute appropriately the term “chief compliance officer” for the term “manager” as previously used in reference to the person responsible for a collection agency.

**Sec. 52.** NRS 649.054, 649.061, 649.145, 649.171, 649.205 and 649.315 are hereby repealed.



**Sec. 53.** 1. This section becomes effective upon passage and approval.

2. Sections 1 to 48, inclusive, 50, 51 and 52 of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On October 1, 2023, for all other purposes.

3. Section 49 of this act becomes effective on the date on which the Commissioner of Financial Institutions notifies the Governor and the Director of the Legislative Counsel Bureau that the Nationwide Multistate Licensing System and Registry has sufficient capabilities to allow the Commissioner to carry out the provisions of chapter 347, Statutes of Nevada 2021, at page 2030.

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#### LEADLINES OF REPEALED SECTIONS

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**649.054 Regulations authorizing collection from location outside of Nevada; standards for trust accounts.**

**649.061 Notification of results of examination; retention and destruction of examination papers.**

**649.145 Conditions for issuance of license; contents of license.**

**649.171 Certificate of registration; limitations on business practices; fees; disciplinary action; regulations.**

**649.205 Examination; reexamination; regulations**

**649.315 Display of license or certificate.**

