

**PROPOSED REGULATION OF THE  
COMMISSIONER OF MORTGAGE LENDING**

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

Authority: NRS 645B.085; 645B.175

**Section 1.** NAC 645B.150 is hereby amended to read as follows:

A licensed mortgage broker maintaining any accounts described in subsection 1 *or subsection 4* of NRS 645B.175 shall:

1. Provide to the Commissioner a financial statement of the account or accounts which has been ~~audited in accordance with generally accepted auditing standards.~~:

*(a) prepared from the books and records of the mortgage broker by an independent public accountant who holds a permit to engage in the practice of public accounting in this state that has not been revoked or suspended; and*

*(b) audited in accordance with generally accepted auditing standards.*

2. Maintain a subsidiary ledger for each investor which must include:

(a) The name and address of the investor;

(b) The amount of the initial investment and the amount of any subsequent investment;

(c) The date of any investment placed with the licensee by the investor;

(d) Each specific loan invested in, including:

(1) The number of the loan;

(2) The name of the borrower;

(3) The closing date of the loan; and

(4) The percentage of the loan owned by the investor, if the loan is owned by more than one person;

(e) The date of the investment;

(f) The amount of money invested;

(g) The maturity date of the loan or loans made;

(h) Any change in the investment made on behalf of the investor; and

(i) The status of each loan, including whether the loan is current or delinquent, and if the loan is delinquent, the number of months it is past due.

3. At least annually, provide each investor with a statement which details:

(a) The total amount he has invested with the mortgage broker;

(b) The amount he has invested in a loan or loans; and

(c) The current status of the loan or loans.

↪ The statement, if annual, must be provided to the investor not later than 120 days after the end of the fiscal year of the mortgage broker.

**4. *The financial statements required pursuant to this section shall include, if applicable:***

*(a) Statement of Trust Fund Balances and Liabilities;*

*(b) Statement of Trust Fund Receipts, Disbursements and Changes in Cash Balances;*

*(c) Supplementary Schedule of Trust Fund Liabilities; and*

*(d) Reconciliation of Trust Fund Cash Balance to the Supplemental Schedule of Trust Fund Liabilities.*

*5. The Commissioner shall publish and make available to interested persons an approved format and sample content for the financial statements required pursuant to this section. Mortgage brokers shall submit such financial statements in substantially the same format as the approved forms.*

**Sec. 2.** Chapter 645B of NAC is hereby amended by adding thereto the provisions set forth as section 3 of this regulation.

**Sec. 3.** *Form and Content of Semi-Annual Financial Statements.*

*1. A licensed mortgage broker maintaining any accounts described in subsection 1 or subsection 4 of NRS 645B.175 shall provide to the Commissioner a financial statement of account or accounts that has been:*

*(a) prepared from the books and records of the mortgage broker by an independent public accountant who holds a permit to engage in the practice of public accounting in this state that has not been revoked or suspended; and*

*(b) audited in accordance with generally accepted auditing standards.*

*2. Except as provided for in this section, not later than 30 days after the last day of each fiscal year for a mortgage broker, and every six months thereafter, the mortgage broker shall submit to the Commissioner the financial statement of account or accounts as required pursuant to this section.*

*3. The Commissioner may grant a reasonable extension not to exceed 30 days for the submission of a financial statement pursuant to this section if a mortgage broker requests such an extension before the date on which the financial statement is due.*

*4. The financial statements required pursuant to this section shall at a minimum consist of the following for each loan:*

*(a) Statement of Trust Fund Balances and Liabilities;*

*(b) Statement of Trust Fund Receipts, Disbursements and Changes in Cash Balances;*

*(c) Supplementary Schedule of Trust Fund Liabilities; and*

*(d) Reconciliation of Trust Fund Cash Balance to the Supplemental Schedule of Trust Fund Liabilities.*

*5. The Commissioner shall publish and make available to interested persons an approved format and sample content for the financial statements required pursuant to this section. Mortgage brokers shall submit such financial statements in substantially the same format as the approved forms.*

[drafting note: suggested placement is as new NAC 645B.165]