

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

LCB File No. R179-18

September 27, 2018

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

AUTHORITY: §§1-4, NRS 622.530 and 645E.300; §5, NRS 645E.300 and 645E.350.

A REGULATION relating to mortgage bankers; prescribing the requirements for licensure by endorsement as a mortgage banker; revising provisions governing certain monthly reports filed by mortgage bankers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires certain regulatory bodies to adopt regulations providing for the issuance of a license by endorsement to engage in an occupation or profession in this State to any natural person who: (1) holds a corresponding valid and unrestricted license to engage in that occupation or profession in the District of Columbia or any state or territory of the United States; (2) possesses qualifications that are substantially similar to the qualifications required for issuance of a license to engage in that occupation or profession in this State; and (3) meets certain other requirements. (NRS 622.530) Under existing law, the Commissioner of Mortgage Lending has the authority to regulate mortgage bankers. (NRS 645E.300)

Section 2 of this regulation establishes standards for the licensure by endorsement of a natural person as a mortgage banker. **Section 3** of this regulation establishes a timeline for the Commissioner to request additional information related to an application, approve an application and issue a license by endorsement. **Section 3** also establishes grounds for the Commissioner to deny an application for licensure by endorsement. **Section 4** of this regulation establishes that a person who has been issued a license by endorsement is subject to the same duties, restrictions, penalties, liabilities, conditions and limitations that apply to a person who has been issued a license which is not a license by endorsement, including those provisions of law relating to the expiration and renewal of a license.

Existing law requires a mortgage banker to submit to the Commissioner a monthly report of his or her activity for the previous month which includes, without limitation, the volume of loans made by the mortgage banker for the month. Existing law authorizes the Commissioner to waive this requirement if substantially similar information is available to the Commissioner from another source. (NRS 645E.350) **Section 5** of this regulation conforms existing regulations to existing law by providing that a mortgage banker is not required to file the monthly report if the Commissioner has waived the requirement pursuant to existing law.

Section 1. Chapter 645E of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *The Commissioner may issue a license by endorsement as a mortgage banker to a natural person who holds a corresponding and unrestricted license as a mortgage banker in the District of Columbia or any state or territory of the United States if the natural person:*

1. Submits to the Commissioner all of the following information:

(a) An application on a form prescribed by the Commissioner. The applicant shall include in the application his or her social security number.

(b) Proof satisfactory to the Commissioner that he or she:

(1) Holds a corresponding valid and unrestricted license to operate as a mortgage banker in the District of Columbia or any state or territory of the United States and has held such a license for a period of at least 5 continuous years immediately preceding the date on which the application is submitted;

(2) Possesses qualifications that are equal to or substantially similar to the qualifications required for issuance of a license to engage in the activities of a mortgage banker in this State;

(3) Has at least 2 years of verifiable experience in the business of lending money for real estate or mortgages, as defined in NAC 645E.200, within the 5 years immediately preceding the date on which the application is submitted;

(4) Has passed the National S.A.F.E. Mortgage Loan Originator Test with Uniform State Content developed by the Nationwide Mortgage Licensing System and Registry pursuant to and in the manner provided for in section 1505(b)(5) of the S.A.F.E. Mortgage Licensing Act;

- (5) Has met the requirements imposed by the S.A.F.E. Mortgage Licensing Act;*
- (6) Is a citizen of the United States or otherwise has the legal right to work in the United States;*
- (7) Has not been disciplined by the corresponding regulatory authority of the District of Columbia or any state or territory of the United States in which the applicant currently holds or has held a license to operate as a mortgage banker;*
- (8) Has not been held civilly or criminally liable in the District of Columbia or any state or territory of the United States for misconduct relating to his or her work as a mortgage banker;*
- (9) Has not had a license to operate as a mortgage banker suspended or revoked in the District of Columbia or any state or territory of the United States;*
- (10) Has not been refused a license to operate as a mortgage banker in the District of Columbia or any state or territory of the United States for any reason; and*
- (11) Does not have pending any disciplinary action concerning his or her license to operate as a mortgage banker in the District of Columbia or any state or territory of the United States.*
- (c) A complete set of his or her fingerprints, submitted directly to or through the Registry, and written permission authorizing the Commissioner to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report, or proof that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the application is submitted.*
- (d) The statement required by NRS 645E.210.*

(e) Proof that the applicant is named as principal on a corporate surety bond deposited with the Commissioner pursuant to NAC 645E.323.

(f) An audited financial statement of the applicant and such other proof satisfactory to the Commissioner that the applicant is in such financial condition that the applicant can continue in business with safety to his or her customers.

(g) An affidavit stating that the information contained in the application and any accompanying material is true and complete.

(h) Any other information required by the Commissioner.

2. Pays the applicable fees to apply for and be issued a license as a mortgage banker, as provided by NRS 645E.280.

Sec. 3. 1. Not later than 21 business days after receiving an application for a license by endorsement to operate as a mortgage banker pursuant to section 2 of this regulation, the Commissioner shall provide written notice to the applicant of any additional information required by the Commissioner to consider the application. Unless the Commissioner denies the application pursuant to subsection 2, the Commissioner shall approve the application and issue a license by endorsement as a mortgage banker to the applicant not later than:

(a) Sixty days after receiving the application;

(b) Fifteen days after the Commissioner receives the report from the Federal Bureau of Investigation or proof that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the application is submitted, pursuant to paragraph (c) of subsection 1 of section 2 of this regulation; or

(c) Fifteen days after the filing of the bond required by NAC 645E.323,

↳ *whichever occurs latest.*

2. The Commissioner may deny an application for licensure by endorsement submitted pursuant to section 2 of this regulation if:

(a) The applicant willfully fails to comply with the requirements of paragraph (c) of subsection 1 of section 2 of this regulation;

(b) The report from the Federal Bureau of Investigation indicates that the applicant has been convicted of a crime that would be grounds for taking disciplinary action against the applicant as a licensee and the Commissioner has not previously taken disciplinary action against the licensee based on that conviction; or

(c) The Commissioner finds that he or she would have grounds to refuse to issue a license if the application was not an application for licensure by endorsement.

Sec. 4. 1. Except as otherwise provided in section 2 of this regulation, a person who has been issued a license by endorsement as a mortgage banker pursuant to section 3 of this regulation is subject to the same duties, restrictions, penalties, liabilities, conditions and limitations that would apply under the laws of this State to a person issued a license as a mortgage banker who did not obtain his or her license by endorsement pursuant to section 3 of this regulation.

2. A license by endorsement issued pursuant to section 3 of this regulation expires and is subject to renewal as provided by NRS 645E.280 on the same terms as a license which was not issued by endorsement.

Sec. 5. NAC 645E.350 is hereby amended to read as follows:

645E.350 1. Each mortgage banker shall submit, for each month, on a form approved by the Commissioner, a report on the volume of loans made by the mortgage banker in that month †

~~The~~ *unless the Commissioner waives the requirement pursuant to subsection 3 of NRS 645E.350. Unless the requirement to submit a monthly report is waived by the Commissioner pursuant to subsection 3 of NRS 645E.350, the* monthly report must be submitted to the Commissioner by the 15th day of the month following the month for which the report was made. If no loans were made in that month, the report must state that fact.

2. The Commissioner may refuse to renew the license of a mortgage banker that has not submitted a monthly report as required by subsection 1 for 1 or more of the preceding 12 months.