

**CORRECTED APPROVED REGULATION OF THE
COMMISSIONER OF FINANCIAL INSTITUTIONS**

LCB File No. R120-23

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

AUTHORITY: §§ 1-3, 12-22, 24, 26-33 and 35-37, NRS 670B.600; § 4, NRS 670B.230 and 670B.600; § 5, NRS 670B.210 and 670B.600; § 6, NRS 670B.240 and 670B.600; § 7, NRS 670B.320 and 670B.600; § 8, NRS 670B.600 and 670B.640; §§ 9 and 10, NRS 670B.350, 670B.600 and 670B.690; § 11, NRS 670B.600, 670B.640 and 670B.690; § 23, NRS 670B.600 and 670B.620; § 25, NRS 670B.600 and 670B.690; § 34, NRS 670B.450 and 670B.600; § 38, NRS 675.170.

A REGULATION relating to student education loans; establishing requirements for the licensure of student loan servicers; establishing the method for obtaining an exemption from certain procedures for licensure as a student loan servicer; requiring applicants for licensure as a student loan servicer and licensed student loan servicers to obtain the approval of the Commissioner of Financial Institutions for certain changes; authorizing the Commissioner to request certain information or documentation to perform an investigation or examination of an applicant for a license as a student loan servicer or a licensed student loan servicer; establishing certain assessments and fees; establishing regulations for the operation of the business of a student loan servicer in this State; requiring licensed student loan servicers to annually submit certain information to the Commissioner; specifying certain conduct for which the Commissioner may revoke, suspend or refuse to renew the license of a student loan servicer; establishing regulations governing the operation of private education lenders in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Commissioner of Financial Institutions to adopt any regulations necessary to carry out the provisions of law relating to student education loans, including, without limitation, the licensing of student loan servicers and private education lenders and the regulation of student education loans, student loan servicers, private education loans and private education lenders. (NRS 670B.600)

Section 3 of this regulation provides that, in addition to holding a license issued by the Commissioner, a person who wishes to engage in student loan servicing in this State is required to: (1) hold any other required license or permit issued by a local governmental entity; and (2) have a place of business, as defined in **section 2** of this regulation, that satisfies certain standards. **Section 4** of this regulation requires an applicant for a license to act as a student loan servicer whose place of business is located outside this State to agree that unless the Commissioner authorizes the electronic submission of books, accounts, papers, records and files, the applicant will: (1) make the books, accounts, papers, records and files of the student loan servicer available to the Commissioner at a location within this State; or (2) pay the reasonable expenses for the travel, meals and lodging of the Commissioner that are incurred during an investigation or examination made at an office or principal place of business that is located outside this State.

Existing law requires certain applicants for a license as a student loan servicer to submit a written application to the Commissioner along with certain other items, including a surety bond in an amount determined by the Commissioner. (NRS 670B.210) **Section 5** of this regulation establishes the amount of the surety bond, based on the amount of student education loans serviced in this State by the applicant, and sets forth the terms on which the surety bond is conditioned.

Existing law: (1) exempts a person seeking to act as a student loan servicer from certain application procedures if the Commissioner determines that the person's student loan servicing performed in this State is conducted pursuant to a contract awarded by the United States Secretary of Education in accordance with federal law; and (2) requires the Commissioner to prescribe by regulation the procedure for documenting a person's eligibility for the exemption. (NRS 670B.240) **Section 6** of this regulation requires such a person to submit to the Commissioner an executed copy of the contract.

Existing law requires a licensee or an applicant for a license to notify the Commissioner in writing of any change in the information provided in the initial application for a license or the most recent application for renewal of a license not later than 10 days after the occurrence of the event that results in such information becoming inaccurate. (NRS 670B.320) **Section 7** of this regulation requires the licensee or applicant to obtain the approval of the Commissioner for certain changes.

Section 8 of this regulation: (1) authorizes the Commissioner to request certain information or documentation that he or she deems necessary to perform an investigation or examination of any applicant for a license or a licensee; and (2) requires an applicant or licensee, as applicable, to provide any such requested information or documentation.

Existing law requires each licensee to pay: (1) an assessment to cover all the costs related to the employment by the Commissioner of a certified public accountant and the performance by the certified public accountant of independent audits and examinations; and (2) an assessment, as determined by the Commissioner, to recover the cost of legal services provided by the Attorney General to the Commissioner and to the Division of Financial Institutions. (NRS 670B.350) **Sections 9 and 10** of this regulation: (1) require the amount of such assessments to be determined in the same manner as the assessments paid by other businesses regulated by the Commissioner; and (2) establish the same procedures to invoice licensees for the assessments

and enforce payment of the assessments as are applied to other businesses regulated by the Commissioner. (NAC 604A.090, 649.070, 659.010, 669.070, 670.050, 670A.050, 671.060, 673.030, 675.110, 677.315, 678.155)

Existing law requires a licensee to pay a fee, as determined by the Commissioner, if it becomes necessary to examine or investigate the books and records of the licensee. (NRS 670B.640) **Section 11** of this regulation establishes: (1) the amount of the fee in the same amount that applies to other businesses regulated by the Commissioner; and (2) the same procedures to invoice licensees for the fee and enforce payment of the fee as are applied to other businesses regulated by the Commissioner. (NAC 604A.090, 649.060, 658.010, 669.010, 669A.200, 671.010, 673.020, 675.080, 676A.260, 677.310, 678.150)

Section 12 of this regulation requires a licensee to obtain authorization from a student loan borrower to receive notices and other information by electronic means before the licensee sends any notices or other information to the borrower through electronic means. **Section 13** of this regulation requires a licensee to develop and implement certain policies and procedures relating to student loan borrowers. **Section 14** of this regulation requires a licensee to provide to a student loan borrower: (1) monthly statements that clearly identify certain information; and (2) an annual statement of interest paid for tax reporting purposes.

Section 15 of this regulation requires a licensee to apply a payment from a student loan borrower to the outstanding loan balance of the borrower on the date the licensee receives the payment and in a manner that is most beneficial to the borrower. **Section 16** of this regulation requires a licensee who services more than one student education loan for a student loan borrower to: (1) provide not less than annual notification to the borrower of the manner in which partial payments will be allocated across multiple loans; (2) provide the borrower with the opportunity to request the allocation of partial payments in a different manner; and (3) adhere to any alternative payment allocation requested by the borrower. **Section 17** of this regulation requires a licensee to provide a student loan borrower with a payoff statement that contains certain information not later than 5 business days after receiving a request for the payoff statement and prohibits a licensee from charging a fee for providing such a payoff statement.

Section 18 of this regulation requires a licensee to retain certain records for a period of at least 2 years after a student education loan is paid in full, assigned to collection or transferred to another student loan servicer.

Section 19 of this regulation authorizes, in general, a licensee to charge and collect fees from a student loan borrower if such fees are authorized by the loan agreement between the lender and the borrower.

Section 20 of this regulation requires a licensee to: (1) provide timely and accurate information to a nationally recognized consumer credit bureau; (2) reasonably and timely investigate any complaint received from a student loan borrower concerning inaccurate information that was reported to a credit bureau; and (3) promptly correct any negative information that was reported to a credit bureau and is found to be inaccurate.

Existing law requires each licensee to register and maintain a valid unique identifier with the Nationwide Multistate Licensing System and Registry. (NRS 670B.300) **Section 21** of this regulation requires a licensee to post the unique identifier assigned to the licensee on the home page of its Internet website or on a page that is clearly and conspicuously connected to the home

page of its Internet website by a link that clearly reveals its contents. **Section 22** of this regulation also requires a licensee to post on the home page of its Internet website or on such other page a notice of right for a student loan borrower to contact the Office of the Commissioner regarding concerns or complaints.

Existing law authorizes the Commissioner to gather and compile certain information for the purpose of monitoring the market for the provision of student loan servicing and student education loans for risks to consumers. (NRS 670B.620) **Section 23** of this regulation requires licensees, for the purposes of the Commissioner compiling such information, to submit certain specific information to the Commissioner on an annual basis. **Section 23** also authorizes the Commissioner to request additional information at any other time the Commissioner deems necessary.

Existing law establishes requirements relating to the renewal of a license as a student loan servicer and provides that any renewal application that is not filed on or before November 1 of the year in which the license expires is not timely filed and must be accompanied by a late fee of \$100. (NRS 670B.250) **Section 24** of this regulation authorizes the Commissioner to waive the late fee if a licensee submits a renewal application through the Registry after November 1 but on or before December 31 of the year in which the license expires.

Existing law authorizes the Commissioner to revoke, suspend or refuse to renew the license of a student loan servicer if the licensee violates any provision of law or regulations relating to the business of student loan servicing. (NRS 670B.690) **Section 25** of this regulation specifies that such a violation includes the licensee: (1) not allowing the Commissioner to conduct an investigation or examination of any books, accounts, records, files, documents, information or evidence, as authorized by law; and (2) failing to pay any required fee or assessment.

Existing law requires the Commissioner to determine the particular license that a private education lender is required to obtain. (NRS 670B.450) **Section 34** of this regulation requires a private education lender to obtain a license to engage in the business of lending in this State before securing, making or extending student education loans in this State or to student education loan borrowers in this State. **Section 34** establishes a procedure for a private education lender whose activities in this State are limited to purchasing and holding the full ownership rights in student education loans to obtain an exemption from the requirement to obtain such a license.

Section 33 of this regulation requires a private education lender to comply with the provisions of law and regulations relating to lending and the business of student loan servicing. **Section 35** of this regulation requires a licensed private education lender to post on the home page of its Internet website or on a page that is clearly and conspicuously connected to the home page of its Internet website by a link that clearly reveals its contents, a notice of right for a student loan borrower to contact the Office of the Commissioner regarding concerns or complaints. **Section 36** of this regulation requires a private education lender to retain certain records for at least 6 years following the termination of a student education loan account. **Section 37** of this regulation authorizes the Commissioner to request certain information or documentation that he or she deems necessary to perform an investigation or examination of a licensed private education lender or an applicant for a license as a private education lender.

Sections 27-32 of this regulation apply the definitions in existing law governing student loan servicers and private education lenders to the provisions of this regulation governing private education lenders. **Section 38** of this regulation removes language to reflect the addition of definitions by **sections 27-32**.

Section 1. Chapter 670B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 25, inclusive, of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, “place of business” means the physical location at which:*

1. The officers and senior management of a student loan servicer direct the business of student loan servicing and oversee the day-to-day operation of that business; and

2. All books and records of the student loan servicer are maintained.

Sec. 3. *A person shall not act as a student loan servicer in this State unless, in addition to satisfying all other applicable requirements set forth in law or regulation, the following requirements are met:*

1. Unless otherwise exempt pursuant to subsection 2 of NRS 670B.200 or any other provision of law, the person holds a license issued by the Commissioner pursuant to chapter 670B of NRS and any other required license or permit issued by a local governmental entity; and

2. The place of business of the student loan servicer is:

(a) Located in the United States;

(b) Located in an area zoned for commercial use; and

(c) Not a residence.

Sec. 4. 1. To be eligible for a license to act as a student loan servicer in this State, an applicant for such a license whose place of business is located outside this State must agree, unless the provisions of subsection 2 apply, to:

(a) Make available to the Commissioner, at a location within this State, the books, accounts, papers, records and files of the student loan servicer; or

(b) Pay the reasonable expenses for the travel, meals and lodging of the Commissioner that are incurred during any investigation or examination made at an office or principal place of business that is located outside this State.

2. In the discretion of the Commissioner, any books, accounts, papers, records and files of a place of business that is located outside this State may be electronically submitted to the Office of the Commissioner.

Sec. 5. 1. In accordance with subsection 5 of NRS 670B.210, an applicant for a license to act as a student loan servicer in this State shall file with the Commissioner, concurrently with the application, a surety bond in the amount determined pursuant to subsection 3, which is payable to the Division of Financial Institutions. Thereafter, each licensee shall maintain the surety bond so that the surety bond is in the amount determined pursuant to subsection 3.

2. The surety bond required by subsection 1 must be in the form prescribed by the Commissioner and made and executed by the principal and a surety company authorized to do business in this State. The bond must be conditioned:

(a) That the principal, who must be the applicant, must, upon demand in writing, pay any lender from whom any loan for collection is received the proceeds of the collection, in accordance with the terms of the agreement made between the principal and the lender; and

(b) That the principal must comply with all applicable requirements of this section and any other provision of law or regulation with respect to the duties, obligations and liabilities of a licensee.

3. The amount of the surety bond required by subsection 1 must be determined based on the dollar amount of servicing activities conducted by the applicant or licensee, as applicable, in this State in the immediately preceding calendar year, as follows:

<u><i>Dollar Amount of Loans Serviced</i></u>	<u><i>Bond Amount</i></u>
<i>\$0.00-50,000,000.00</i>	<i>\$50,000.00</i>
<i>\$50,000,000.01-100,000,000.00</i>	<i>\$75,000.00</i>
<i>\$100,000,000.01-250,000,000.00</i>	<i>\$100,000.00</i>
<i>\$250,000,000.01 or more</i>	<i>\$250,000.00</i>

Sec. 6. For the purposes of subsection 1 of NRS 670B.240, a person seeking to act as a student loan servicer who is exempt from the application procedures described in subsections 1 and 2 of NRS 670B.210 and NRS 670B.290 must document eligibility for the exemption by submitting to the Commissioner an executed copy of the contract awarded to the person by the United States Secretary of Education pursuant to 20 U.S.C. § 1087f.

Sec. 7. An applicant for a license to act as a student loan servicer in this State or a person licensed as a student loan servicer in this State shall, in accordance with NRS 670B.320, notify the Commissioner of, and obtain the approval of the Commissioner for, any change:

- 1. In the information provided in the initial application for a license or the most recent application for renewal of such a license, as applicable;*
- 2. To the legal or fictitious name of the applicant or licensee, as applicable;*
- 3. To the proposed licensed place of business of the applicant or to the licensed place of business of the licensee; or*
- 4. In a control person of the applicant or licensee.*

Sec. 8. Pursuant to NRS 670B.640, the Commissioner may request any information or documentation that the Commissioner deems necessary to perform an investigation or examination of an applicant for a license or a licensee. Upon such a request, the applicant or licensee shall provide or make available to the Commissioner such requested information or documentation unless the disclosure of such information or documentation is prohibited by any provision of state or federal law.

Sec. 9. 1. In accordance with subsection 1 of NRS 670B.350 and except as otherwise provided in NAC 658.030, each licensee shall pay to the Division of Financial Institutions an annual assessment of not more than \$300 to cover the costs related to the employment of a certified public accountant and the performance by the certified public accountant of independent audits and examinations.

2. The Division of Financial Institutions shall send an invoice to each licensee for the assessment described in subsection 1. The assessment must be paid not later than 30 days after the date on which the invoice is received. Except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the assessment plus

an additional 1 percent of the assessment for each month, or portion of a month, that the assessment is not paid. The Commissioner may waive the penalty for good cause.

3. In accordance with NRS 670B.690, the failure of a licensee to pay the assessment required in subsection 1, as provided in this section, constitutes grounds for revocation of its license.

Sec. 10. *1. In accordance with subsection 2 of NRS 670B.350, each licensee shall pay to the Division of Financial Institutions the assessment determined by the Commissioner pursuant to NRS 658.098 to recover the cost of legal services provided by the Attorney General to the Commissioner and to the Division.*

2. The Division of Financial Institutions shall send an invoice to each licensee for the assessment described in subsection 1. The assessment must be paid not later than 30 days after the date on which the invoice is received. Any payment received after that date must include a penalty of 10 percent of the assessment.

3. In accordance with NRS 670B.690, the failure of a licensee to pay the assessment required by subsection 1, as provided in this section, constitutes grounds for revocation of its license.

Sec. 11. *1. The Commissioner will charge and collect a fee of \$75 per hour from each licensee for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 670B of NRS.*

2. The Commissioner will send an invoice to each licensee upon the completion of the activity for the fee established in subsection 1. The fee must be paid not later than 30 days after the date on which the invoice is received. Except as otherwise provided in this subsection,

any payment received after that date must include a penalty of 10 percent of the fee plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. In accordance with NRS 670B.690, the failure of a licensee to pay the fee required by subsection 1, as provided in this section, constitutes grounds for revocation of its license.

Sec. 12. *A licensee may send a notice or other communication to a student loan borrower through electronic means only if, during the process of originating the student education loan or at any other time after the origination of the student education, the student loan borrower has authorized the receipt of electronic communications on a form that clearly states that the student loan borrower has consented to receiving through electronic means all notices and other communications from the student loan servicer. A licensee shall retain the form providing such authorization in accordance with section 18 of this regulation.*

Sec. 13. *In addition to any policies and procedures required to be developed and implemented pursuant to chapter 670B of NRS, a licensee shall develop and implement policies and procedures to:*

- 1. Identify student loan borrowers who are at risk of default;*
- 2. Notify student loan borrowers of the possibility of default;*
- 3. Make reasonable efforts to assist student loan borrowers in avoiding default; and*
- 4. Ensure the licensee has the most accurate and updated personal information of student loan borrowers.*

Sec. 14. 1. *A licensee shall provide a monthly statement to each student loan borrower whose student education loans are being serviced by the licensee. The statement must clearly identify:*

- (a) The student loan servicer and the current holder of the student education loan;*
- (b) The date of the origination of the student education loan;*
- (c) The outstanding balance of the student education loan;*
- (d) The monthly payment amount;*
- (e) The current term of the student education loan;*
- (f) The interest rate on the student education loan;*
- (g) Any interest and fees that were charged since the last monthly statement; and*
- (h) Any payments received since the last monthly statement.*

2. *For tax reporting purposes, a licensee shall also provide to each student loan borrower whose student education loans are being serviced by the licensee timely and accurate annual statements identifying loan interest paid during the immediately preceding calendar year.*

Sec. 15. *A licensee shall apply a payment from a student loan borrower to the outstanding balance of the student education loan of the student loan borrower upon the date on which the licensee receives the payment in accordance with the loan agreement and in a manner that is most beneficial to the student loan borrower.*

Sec. 16. *A licensee who services more than one student education loan for a student loan borrower shall:*

1. Notify the borrower, at least annually, of the manner in which the licensee intends to allocate partial payments across multiple loans in accordance with paragraph (c) of subsection 1 of NRS 670B.380;

2. Provide an opportunity for the borrower to request the allocation of partial payments in a manner other than that which the licensee intends to use; and

3. Adhere to any alternative payment allocation requested by the borrower pursuant to subsection 2.

Sec. 17. *1. Not later than 5 business days after receiving a request from a student loan borrower for a payoff statement, a licensee shall provide the student loan borrower with a complete and accurate payoff statement that clearly indicates:*

(a) The date on which the statement was prepared;

(b) The total payoff amount of the student education loan;

(c) The date until which the total payoff amount remains effective; and

(d) Any circumstances that could change the total payoff amount.

2. If, in accordance with section 12 of this regulation, a student loan borrower has consented to receive electronic communications from a licensee, the licensee may provide a payoff statement to the borrower by electronic means.

3. A licensee shall not charge a fee for providing a payoff statement to a student loan borrower pursuant to this section.

Sec. 18. *A student loan servicer shall retain the following records for a period of not less than 2 years after the date on which the student education loan is paid in full, assigned for collection or transferred to another student loan servicer, whichever is applicable:*

1. *Any correspondence or communication involving the student loan borrower, including, without limitation, any mail or electronic mail correspondence, records of telephone calls, call notes and communication logs.*
2. *Any acknowledgment and information provided in accordance with NRS 670B.380.*
3. *The payment history on the student education loan account, including, without limitation, the date of each payment received, all interest and fees charged and the allocation of payments to the amount of the principal, interest and fees.*
4. *Any requests from a student loan borrower for an alternative payment allocation in accordance with section 16 of this regulation.*
5. *The complete account history of the student education loan account, including, without limitation, information relating to any accounts transferred to or from another student loan servicer and the dates of such transfers.*
6. *Any documentation used in determining the eligibility of a student loan borrower for an income-driven repayment program, including, without limitation, the dates of any evaluations for such eligibility and the reasoning behind any decision to place the student loan borrower in an income-driven repayment program or in forbearance or default.*
7. *The loan agreement between the student loan borrower and the lender of the student education loan and supporting documentation evidencing the obligations of the borrower to the lender.*
8. *Each contract entered into by the student loan servicer governing the servicing of a student education loan.*

9. Any other document, disclosure, notice or release required to be provided or obtained by the student loan servicer pursuant to chapter 670B of NRS.

Sec. 19. Except as otherwise prohibited by law or regulation, a licensee may charge and collect fees from a student loan borrower if such fees are authorized by the loan agreement between the lender and the borrower.

Sec. 20. A licensee shall:

1. Provide timely and accurate information to a nationally recognized consumer credit bureau;

2. Reasonably investigate any complaint received from a student loan borrower concerning inaccurate information that was reported to a credit bureau within 30 calendar days after receipt of any such complaint; and

3. Promptly correct any negative information previously reported to a credit bureau that is found to be inaccurate after a subsequent investigation by the licensee.

Sec. 21. A licensee shall post the unique identifier assigned to the licensee pursuant to subsection 1 of NRS 670B.300 on:

1. The home page of the Internet website of the licensee; or

2. A page that is clearly and conspicuously connected to the home page of the Internet website of the licensee by a link that clearly reveals its contents.

Sec. 22. A licensee shall post a notice of the right of a student loan borrower to contact the Office of the Commissioner regarding concerns or complaints on the home page of the Internet website of the licensee or on a page that is clearly and conspicuously connected to the

home page of the Internet website of the licensee by a link that clearly reveals its contents. The notice must be in substantially the following form:

***NOTICE OF RIGHT TO FILE A WRITTEN COMPLAINT WITH THE
COMMISSIONER OF FINANCIAL INSTITUTIONS***

You may file a written complaint with the Commissioner of Financial Institutions by submitting a signed complaint form to the Office of the Commissioner. The required complaint form can be found on the home page of the Internet website of the Division of Financial Institutions of the Department of Business and Industry at <https://fid.ny.gov>, or you may request a complaint form via telephone by calling the toll-free telephone number (866) 858-8951.

Sec. 23. 1. *A licensee shall submit with the annual report required to be filed on or before April 15 of each year pursuant to subsection 4 of NRS 670B.250, on a form prescribed by the Commissioner, the following information for the immediately preceding calendar year:*

(a) A listing of the following information in aggregate from all student education loan accounts serviced by the licensee, along with the total number of accounts used to calculate the information:

- (1) The average annual percentage rate.*
- (2) The average amount financed.*
- (3) The average finance charges.*

- (4) The average dollar amount of scheduled payments.*
 - (5) The number of accounts with a cosigner.*
 - (6) The average dollar amount of payments made, with a separate identification of the average dollar amount of full payments and the average dollar amount of partial payments.*
 - (7) The average outstanding account balance.*
 - (8) The total number of delinquent accounts and the percentage of student loan borrowers in delinquent status.*
 - (9) The average dollar amount of late fees charged to the accounts of student loan borrowers and the percentage of student loan borrowers being charged such late fees.*
 - (10) A statement of any miscellaneous fees charged to the accounts of student loan borrowers, the average dollar amount of such miscellaneous fees charged to the accounts of student loan borrowers and the percentage of student loan borrowers being charged such miscellaneous fees.*
 - (11) The total number of accounts for which student loan borrowers are repaying private education loans.*
 - (12) The total number of accounts for which student loan borrowers are repaying federal education loans.*
- (b) The total number of student education loan accounts:*
- (1) That were being serviced on January 1 of the calendar year, and the total amount of such loans.*
 - (2) That were being serviced on December 31 of the calendar year, and the total amount of such loans.*

- (3) That were paid in full, and the total amount of such loans.*
- (4) That are being paid pursuant to an income-driven repayment plan, and the total amount of such loans.*
- (5) For which a loan modification was approved, and the total amount of such loans.*
- (6) That are being paid pursuant to a flexible repayment plan, and the total amount of such loans.*
- (7) That were placed in forbearance, and the total amount of such loans.*
- (8) That were placed in default, and the total amount of such loans.*
- (9) That were placed in forgiveness, and the total amount of each such loan.*
- (10) That were cancelled or discharged, and the total amount of each such loan.*
- (11) That were assigned to a collection agency and the name of the collection agency.*
- (12) For which a court action was initiated, and the status of such accounts.*
- (13) For which an unfavorable payment history of a student loan borrower was reported to a nationally recognized consumer credit bureau.*

(c) A list of each lender and each holder of a student education loan serviced by the licensee.

2. At any other time the Commissioner deems necessary, the Commissioner may request additional information pursuant to the provisions of this chapter or NRS 670B.620.

3. The filing of an annual report pursuant to subsection 4 of NRS 670B.250 and the submission of the information required by subsection 1 does not preclude the Commissioner from requesting identical or similar information in the course of an examination or investigation of a licensee.

Sec. 24. *The Commissioner may waive the late fee required by subsection 2 of NRS 670B.250 if a licensee submits an application for renewal of a license through the Nationwide Multistate Licensing System and Registry after November 1 but not later than December 31 of the year in which the license expires.*

Sec. 25. *In accordance with NRS 670B.690, the Commissioner may revoke or suspend the license of a student loan servicer if the licensee violates any provision of this chapter or chapter 670B of NRS, including, without limitation, if the licensee:*

1. Does not allow the Commissioner to conduct an investigation or examination of any books, accounts, records, files, documents, information or evidence, as authorized pursuant to NRS 670B.640; or

2. Fails to pay any required fee or assessment.

Sec. 26. Chapter 675 of NAC is hereby amended by adding thereto the provisions set forth as sections 27 to 37, inclusive, of this regulation.

Sec. 27. *As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 675.005 and sections 28 to 32, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 28. *“Private education lender” has the meaning ascribed to it in NRS 670B.070.*

Sec. 29. *“Private education loan” has the meaning ascribed to it in NRS 670B.080.*

Sec. 30. *“Private education loan borrower” has the meaning ascribed to it in NRS 670B.090.*

Sec. 31. *“Student loan servicer” has the meaning ascribed to it in NRS 670B.120.*

Sec. 32. *“Student loan servicing” or “servicing” has the meaning ascribed to it in NRS 670B.130*

Sec. 33. *Except as otherwise provided in section 34 of this regulation, a private education lender operating in this State must comply with the applicable provisions of this chapter, chapters 670B and 675 of NRS and chapter 670B of NAC.*

Sec. 34. 1. *Except as otherwise provided in subsection 2, a private education lender shall not secure, make or extend a private education loan to a private education loan borrower in this State unless the private education lender has obtained a license from the Commissioner pursuant this chapter and chapter 675 of NRS.*

2. *A private education lender is exempt from the requirement set forth in subsection 1 if the private education lender:*

(a) Does not originate or fund any private education loan in this State;

(b) Limits its activities in this State relating to private education loans to purchasing and holding full ownership rights in private education loans;

(c) Contracts with a student loan servicer licensed in this State to perform the servicing of private education loans held by the private education lender; and

(d) Obtains approval of the exemption from the Commissioner pursuant to subsection 3.

3. *A private education lender claiming an exemption pursuant to subsection 2 must:*

(a) Submit to the Commissioner a written request for the exemption; and

(b) Provide to the Commissioner any information and documentation that the Commissioner deems necessary to determine whether the private education lender qualifies for the exemption.

4. The Commissioner may require a private education lender who is exempt from the requirement set forth in subsection 1 to comply with any reporting requirement set forth in chapter 670B of NRS or chapter 670B of NAC, as deemed appropriate by the Commissioner.

Sec. 35. A private education lender shall post a notice of the right of a private education loan borrower to contact the Office of the Commissioner regarding concerns or complaints on the home page of the Internet website of the licensee or on a page that is clearly and conspicuously connected to the home page of the Internet website of the licensee by a link that clearly reveals its contents. The notice must be in substantially the following form:

***NOTICE OF RIGHT TO FILE A WRITTEN COMPLAINT WITH THE
COMMISSIONER OF FINANCIAL INSTITUTIONS***

You may file a written complaint with the Commissioner of Financial Institutions by submitting a signed complaint form to the Office of the Commissioner. The required complaint form can be found on the home page of the Internet website of the Division of Financial Institutions of the Department of Business and Industry at <https://fid.nv.gov>, or you may request a complaint form via telephone by calling the toll-free telephone number (866) 858-8951.

Sec. 36. A private education lender shall retain the following records for a period of not less than 6 years after the termination of a private education loan account:

1. Any correspondence or communication related to the private education loan, including, without limitation, any electronic mail, notes or transcript of a telephone call, or mail.

2. Any documentation, disclosure, notice or written release required by this chapter, chapter 670B of NRS or chapter 670B of NAC.

3. The complete private education loan file including, without limitation:

(a) The loan agreement between the private education loan borrower and the private education lender and any supporting documentation evidencing the borrower's obligation to the lender;

(b) The servicing contract between the private education lender and the student loan servicer;

(c) Documentation of the monthly income of the private education loan borrower at the time of the origination of the private education loan, any modification of the private education loan and the beginning of any repayment plan or forbearance, as applicable; and

(d) The payment history on the private education loan account, including, without limitation, the date of each payment received, all interest and fees charged and the allocation of payments to the amount of the principal, interest and fees.

Sec. 37. The Commissioner may request any information or documentation that the Commissioner deems necessary to perform an investigation or examination of an applicant for a license or a licensee. Upon such a request, the applicant or licensee, as applicable, shall provide or make available to the Commissioner such requested information or documentation,

unless the disclosure of such information or documentation is prohibited by any provision of state or federal law.

Sec. 38. NAC 675.005 is hereby amended to read as follows:

675.005 ~~{As used in this chapter, unless the context otherwise requires, “licensee”}~~

“Licensee” means a person to whom one or more licenses have been issued pursuant to this chapter and chapter 675 of NRS.