

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

LCB File No. R190-24

July 22, 2025

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

AUTHORITY: §§ 1-4, NRS 645B.058 and 645B.060, as amended by section 5 of Senate Bill No. 44, chapter 45, Statutes of Nevada 2025, at page 238.

A REGULATION relating to mortgage lending; establishing certain requirements governing certain employees who may be authorized to conduct the business of a mortgage company at a remote location under certain circumstances; requiring a mortgage company to provide certain supervision and training to such an employee; requiring a mortgage company to develop, implement and maintain a program for the security of data and information; requiring a mortgage company to take certain actions in the event of a breach of the security of the system data; requiring the Commissioner of Mortgage Lending to take certain actions against a mortgage company for failing to comply with certain requirements; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes an employee of a mortgage company, including, without limitation, a mortgage loan originator employed by or associated with the mortgage company, to conduct the business of the mortgage company at a remote location if authorized by the mortgage company. Existing law defines a “remote location” to mean any location, including the residence of an employee, that is not a location for which a license as a mortgage company has been issued. Existing law prohibits: (1) an employee from interacting with a customer in person at the residence of the employee unless a license has been issued for that residence; and (2) the maintenance of physical records at a remote location. Existing law requires the Commissioner of Mortgage Lending to adopt regulations governing the conducting of the business of a mortgage company at a remote location. (NRS 645B.058)

Section 2 of this regulation establishes: (1) the circumstances under which a mortgage company may authorize certain employees to conduct the business of the mortgage company at a remote location; and (2) certain requirements with which the mortgage company and such an employee must comply. **Section 2** prohibits a mortgage company from authorizing a qualified employee designated to act on behalf of the mortgage company to conduct the business of the mortgage company at a remote location. **Section 2** also prohibits a mortgage company from authorizing any other employee to conduct the business of the mortgage company at a remote location unless: (1) information systems and customer information of the mortgage company are accessed only in accordance with a comprehensive written security plan; (2) any interaction or

conversation with a customer complies with all federal and state privacy and security requirements; (3) the employee is associated with a branch office of the mortgage company and designates the address of the principal office of the mortgage company or the branch office with which the employee is associated for certain purposes; and (4) the mortgage company supervises the employee at all times and establishes policies and procedures relating to the supervision and training of such employees.

Section 3 of this regulation requires a mortgage company that authorizes an employee to conduct the business of the mortgage company at a remote location to develop, implement and maintain a program for the security of data and information which meets certain requirements. **Section 3** also requires a mortgage company to take certain actions in the event of a breach of the security of the system data involving the mortgage company.

Section 4 of this regulation requires: (1) the Commissioner to provide written notice to a mortgage company if the Commissioner determines that supervision by the mortgage company of an employee working at a remote location does not comply with certain requirements; and (2) the mortgage company to take certain actions in response to such a notice from the Commissioner. **Section 4** subjects a mortgage company to certain discipline or other action by the Commissioner if the company fails to take corrective action or otherwise comply with a final determination of the Commissioner as to supervision of an employee working at a remote location.

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

Sec. 2. 1. *A mortgage company may authorize an employee to conduct the business of the mortgage company at a remote location if:*

(a) Any information systems of the mortgage company and customer information collected and maintained by the mortgage company are accessed in accordance with the comprehensive written security plan adopted pursuant to NRS 645B.058;

(b) Any interaction or conversation with a customer by the employee complies with all federal and state privacy and security requirements, including the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq., and Federal Trade Commission standards for safeguarding customer information set forth in 16 C.F.R. Part 314;

(c) The mortgage company complies with the provisions of subsection 2; and

(d) The employee:

- (1) Is not a qualified employee;*
 - (2) At any place where the employee is required to designate an address for an activity for which a license is required pursuant to chapter 645B of NRS, designates the address of the principal office of the mortgage company or the branch office with which the employee is associated;*
 - (3) Conducts all activity in compliance with the provisions of this chapter and chapter 645B of NRS;*
 - (4) Is associated with a branch office of a mortgage company and, if applicable, registered with the Registry; and*
 - (5) Complies with the provisions of subsection 3.*
- 2. A mortgage company that authorizes an employee to conduct the business of the mortgage company at a remote location shall:*
- (a) At all times supervise the work-related activities of each employee working from a remote location;*
 - (b) Establish written policies and procedures relating to the supervision of employees who are authorized to work from a remote location;*
 - (c) Provide appropriate training to employees of the mortgage company to ensure that any employee working at a remote location is working in an environment that is conducive and appropriate to maintain the privacy and confidentiality of information pertaining to customers;*
 - (d) Maintain and update, as appropriate, written records with respect to any employee who the mortgage company has authorized to conduct the business of the mortgage company at a remote location, including:*

(1) The initial authorization for the employee to conduct the business of the mortgage company at a remote location; and

(2) Any due diligence undertaken by the mortgage company to ensure compliance with the requirements of this chapter and chapter 645B of NRS; and

(e) Unless a greater retention period is required by specific statute or regulation, retain the records required by paragraph (d) for not less than 2 years after the date on which the employee ceases working at a remote location in connection with activity for which a license is required.

3. In addition to complying with the requirements and restrictions set forth in NRS 645B.058, an employee working at a remote location:

(a) Shall at all times represent his or her business location as the branch office with which he or she is associated; and

(b) Shall not:

(1) Disclose or represent to customers by use of signage, advertisement or other means a remote location as the location from which the employee conducts any activity for which a license is required pursuant to chapter 645B of NRS;

(2) Use a remote location for the storage of physical books, papers and records relating to mortgage transactions;

(3) Except for a personal residence, work at a remote location owned, controlled or leased by the mortgage company or an affiliate of the mortgage company, or for the benefit of the mortgage company or an affiliate of the mortgage company; or

(4) Use a remote location for the receipt of mail relating to a mortgage application of a customer or receipt by mail of documents containing information which is subject to the privacy and security provisions of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq.

Sec. 3. *1. A mortgage company that authorizes an employee to conduct the business of the mortgage company at a remote location shall develop, implement and maintain a program for the security of data and information that:*

- (a) Is consistent with all applicable federal and state laws and regulations;*
- (b) Meets or exceeds recognized best practices for the mortgage lending industry;*
- (c) Addresses known vulnerabilities;*
- (d) Is commensurate with the size and complexity of the mortgage company; and*
- (e) May be a part of a larger comprehensive data and cybersecurity program of the mortgage company.*

2. A mortgage company shall consider the following objectives in developing, implementing and maintaining a program for the security of data and information pursuant to subsection 1:

- (a) Allowing an employee working at a remote location to access the information technology system, data or other systems of the mortgage company, including, without limitation, a cloud-based system, which are needed to perform job functions in a safe and secure manner, from any device the employee uses, including, without limitation, a computer, laptop or tablet computer or smartphone, through a virtual private network or other secure connection that requires a password or other form of authentication to access;*
- (b) Ensuring the security and confidentiality of data that contains personal information or other sensitive information;*

(c) Identifying and protecting the types of devices an employee may use to access the information technology system, data or other systems of the mortgage company from security breaches and unauthorized access;

(d) Ensuring that employees who work at a remote location access the systems of the mortgage company by secure methods;

(e) Ensuring that appropriate security updates, patches or other alterations which affect the security of a device used at a remote location are installed and maintained;

(f) Ensuring that the mortgage company has the ability to remotely lock a device used at a remote location, erase any contents of a device used at a remote location which are related to the company or otherwise remotely limit access to the secure systems of the company;

(g) Ensuring that the applicable records in the Registry concerning a mortgage loan originator who is employed by or associated with the mortgage company and who has been authorized to conduct the business of the mortgage company at a remote location designates the principal office of the company as the registered location of the mortgage loan originator unless he or she elects another licensed branch office as the registered location;

(h) Providing training and support to employees of the mortgage company that is necessary to ensure compliance with the program for the security of data and information;

(i) Establishing sanctions for failure to comply with the program for the security of data and information;

(j) Requiring a virtual private network or other secure connection to access the information technology system, data or other systems of the mortgage company and information about customers; and

(k) Protecting the information technology system, data or other systems of the mortgage company against security breaches and unauthorized access by employees.

3. In addition to the actions required by NRS 603A.220 and any other applicable laws, in the event of a breach of the security of the system data, as defined in NRS 603A.020, involving a mortgage company:

(a) If the breach is discovered by an employee working at a remote location, the employee shall immediately notify the mortgage company; and

(b) The mortgage company shall:

(1) Within 72 hours after discovery or notification of the breach, notify in writing the Commissioner and any other person or governmental entity required to be notified by law or regulation;

(2) Investigate the breach and document any findings and actions, including, without limitation, remedial actions, undertaken by the company to remediate any harm to consumers and to update any relevant policies, procedures or processes as a result of the findings; and

(3) If requested by the Commissioner or his or her designee, provide a copy of the documentation of the investigation described in subparagraph (2).

Sec. 4. *1. The Commissioner shall provide written notice to a mortgage company if the Commissioner determines that supervision by the mortgage company of an employee working at a remote location does not comply with the requirements of this chapter and chapter 645B of NRS.*

2. Not later than 15 days after the date on which a mortgage company receives a written notice pursuant to subsection 1, the mortgage company shall:

(a) Terminate the authorization of the employee to conduct the business of the mortgage company at a remote location; or

(b) Respond to the Commissioner in writing to:

(1) Describe in detail how the mortgage company has resolved the issues raised by the Commissioner; or

(2) Address the issues raised by the Commissioner and demonstrate why the mortgage company believes its supervision should be considered compliant.

3. Not later than 15 days after the date on which the Commissioner receives a response from a mortgage company pursuant to paragraph (b) of subsection 2, the Commissioner shall:

(a) Make a final determination as to compliance and provide written notice to the mortgage company; or

(b) Request additional information from the mortgage company. The mortgage company shall respond to a request for additional information not later than 15 days after the date on which the mortgage company receives the request.

4. A mortgage company that violates the provisions of this section may be subject to disciplinary or other action pursuant to NRS 645B.670 to 645B.760, inclusive, including, without limitation, if the company:

(a) Fails to take corrective action or otherwise comply with a final determination of compliance by the Commissioner pursuant to paragraph (a) of subsection 3; or

(b) Fails to timely respond to the Commissioner in compliance with subsection 2 or 3.