

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS

INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066

LCB FILE NO. R157-24 – Title Residency

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter 692A.

1. A clear and concise explanation of the need for the adopted regulation.

The state law that currently bars nonresidents from obtaining a Nevada license was challenged by a resident of another state, and the Division’s research determined there are no required functions of a title agent or escrow officer that necessitates their being physically housed in this state.

In addition, an investigation of this law by Nevada Division of Insurance attorneys and the Nevada Attorney General’s office found that the residency requirement in NAC 692A.030 had no legal purpose and was an unnecessary barrier to licensure and was therefore unconstitutional. Therefore, the residency requirement needs to be repealed.

As for deleting the definitions of Mortgage banker and Mortgage broker, those terms are not used anywhere else in NAC chapter 692A and therefore the definitions serve no purpose remaining in the Nevada Administrative Code.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how public comment was solicited:

Public comment was solicited by emailing the proposed regulation, notice of workshop, notice of intent to act upon the regulation, and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, the website of the Nevada Legislature, <http://www.leg.state.nv.us>, and the Nevada Public Notice website, <http://www.notices.nv.gov>. The documents were also emailed, or mailed where no email address was available, to the main library for each county in Nevada.

Public comment was also solicited at the workshop held on January 17, 2025, and at the hearing held on March 13, 2025. The public workshop and hearing took place virtually via Webex and in person at the Division’s offices located at 1818 E. College Pkwy, Carson City, Nevada 89706 and 3300 W. Sahara Ave., Las Vegas, Nevada 89102.

- (b) A summary of the public response:

Only one public comment was received. At the hearing on March 13, 2025, Sylvia Smith Turk from Core Title Group asked how the Division would regulate non-residents and if being a non-resident would need to be disclosed to the client. She also commented that she thinks passage of the regulation could be an unfair advantage for non-residents since they wouldn't have the

expense of a brick-and-mortar store in Nevada.

- (c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 2(b) above reflects the public comments and testimony that transpired with regard to regulation R157-24. A copy of said summary may be obtained by contacting regs@doi.nv.gov.

3. The number of persons who:

- (a) Attended the hearing: 9
(b) Testified at the hearing: 2
(c) Submitted to the agency written statements: 0

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in part 3(b) and (c), as provided to the agency:

Testified at the hearing:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Jacob Roberts	Nevada Division of Insurance	1818 E. College Pkwy., Ste. 103, Carson City, NV 89706	(775) 687-0774	jroberts@doi.nv.gov
Sylvia Smith Turk	Core Title Group/ Nevada Title Assn	Reno, NV		

5. A description of how comments were solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how comments were solicited from affected businesses:

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description provided above in response to part 2(a).

- (b) A summary of the responses from affected businesses:

Only one response from an affected business was received. Please see the response to part 2(b) above.

- (c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 5(b) above reflects the public comments and testimony that transpired with regard to regulation R157-24. A copy of said summary may be obtained by email request to regs@doi.nv.gov.

6. If after consideration of public comments, the regulation was adopted without changing

any part of the proposed regulation, provide a summary of the reasons for adopting the regulation without change.

The Division considered each of the arguments provided by industry representatives who were opposed to various aspects of the proposed regulation. Ultimately, the Division chose to adopt the proposed regulation without any changes, for the reasons explained below.

(a) Response to the allegations regarding how the Division will regulate non-resident title agents and will residency need to be disclosed to the public: Regardless of residency, all licensed title agents and escrow officers are subject to the same laws and regulatory authority set forth in NRS 692A and NAC 692A.

Residency does not need to be disclosed to the public, but consumers can always verify the license status and residency of licensed title agents and escrow officers in Nevada by using the Division's "Verify a License" tool on the Division's website at: <https://di.nv.gov/ins/f?p=licensing:search>.

(b) Response to concerns regarding any unfair advantage for non-residents not having a brick-and-mortar location in Nevada: It is highly unlikely that a non-resident title agent or agency wouldn't want to have a physical location to work from in Nevada, neither can the Division favor resident licensees over non-resident licensees. Most importantly, given the current residency requirement has been found to be unconstitutional, there is no alternative but to allow non-residents to obtain a license if they qualify otherwise.

(c) Response regarding the justification for statutory authority: Some industry representatives have challenged the Division's statutory authority to issue this regulation. The Division holds that it has authority stemming from multiple statutes. The discussion below is not exhaustive, and other sources of statutory authority exist beyond those mentioned here:

When the residency requirement currently in NAC 692A.030(1) was challenged by a non-resident, an investigation of this law by Nevada Division of Insurance attorneys and the Nevada Attorney General's office found that the residency requirement in NAC 692A.030 had no legal purpose and was an unnecessary barrier to licensure and was therefore unconstitutional. This change in residency licensing requirements is supported by the April 10, 2008, decision of the 9th Circuit of the United States Court of Appeals in their decision in COUNCIL OF INSURANCE AGENTS & BROKERS and Rebecca Restrepo, Plaintiffs-Appellees, v. Alice A. MOLASKY-ARMAN, in her official capacity as Nevada Commissioner of Insurance, Defendant-Appellant.

See also NRS 679B.120 and NRS 692A.090.

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects:

i. Beneficial: Passage of these repeals would bring about no foreseen economic changes to the title industry in Nevada.

ii. Adverse: Passage of these repeals would bring about no foreseen economic changes to the title industry in Nevada.

(2) Both immediate and long-term effects:

i. Immediate: Negligible.

ii. Long-Term: Perhaps the Division will have a slight increase in applications for non-resident title agents/escrow officer licenses but being that this is a business that is more suited to a localized area, it is not anticipated that this will bring any substantial change to the industry.

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects:

i. Beneficial: Perhaps having more non-resident title agents/escrow officers will allow for more price competition resulting in lower title insurance rates and fees.

ii. Adverse: No foreseeable adverse effects.

(2) Both immediate and long-term effects:

i. Immediate: Negligible.

ii. Long-Term: Perhaps a broader selection of title agencies for consumers to choose from.

8. The estimated cost to the agency for enforcement of the adopted regulation.

There will be no extra costs to enforce these changes.

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

Escrow officers may be licensed through the Division of Insurance under NRS/NAC 692A as well as through the Division of Mortgage Lending under NRS/NAC 645A, however, NRS/NAC 645A have no requirements for an escrow officer to be a resident of Nevada. Repealing the residency requirement currently in NAC 692A.030 will bring the regulation in line with NRS/NAC 645A, creating more unity and consistency between the two agencies.

There is no overlap for title agents or any federal regulation.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

Does not apply – not more stringent than any federal regulation.

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

Does not apply – no new fees or increase in existing fees.