



Mortgage Lending and Housing Issues

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LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY
MORTGAGE LENDING AND HOUSING ISSUES

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SUMMARY OF RECOMMENDATIONS

LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY MORTGAGE LENDING AND HOUSING ISSUES

Nevada Revised Statutes 218.682

The Legislative Commission's Subcommittee to Study Mortgage Lending and Housing Issues approved these recommendations at its final meeting on August 4, 2008, in Las Vegas. The corresponding bill draft request (BDR) number follows each recommendation for legislation.

RECOMMENDATIONS FOR LEGISLATION

1. Enact legislation authorizing the creation of community land trusts (CLTs) designed to serve very low, low, and moderate income households. A CLT is a nonprofit entity created primarily to acquire real estate to be held in a long-term ground lease for the primary purpose of providing affordable home ownership. The owner of a home in a CLT would be issued a deed recorded in the county where the home is located and assigned a separate parcel number. The CLT would receive a real property tax exemption for the land and retain a preemptive option to purchase any structural improvements on the land at a price determined by formula and specified in the ground lease to ensure that the improvements remain affordable. **(BDR 25–227)**
2. Enact legislation related to mortgage agents, bankers, and brokers and related professions, as follows: **(BDR 54–230)**
 - a. To clarify that the Department of Business and Industry (DBI) has enforcement authority over foreclosure consultants, without implementing a new licensing scheme, and requiring the Commissioner, Division of Mortgage Lending, DBI, to adopt regulations to carry out the statutory provisions;
 - b. To increase the maximum fine for escrow agents and agencies from \$500 to \$10,000, consistent with the maximum fine for other licensees of the Division;
 - c. To require mortgage brokers to post a surety bond;
 - d. To require registration of out-of-state mortgage loan servicers who conduct business in the State of Nevada;
 - e. To authorize administrative fines and other appropriate penalties upon a person who, without a license or statutory exemption, conducts any business or activity for which an escrow agency or mortgage agent, banker, or broker license is required;

- f. To establish that a mortgage broker has a fiduciary duty to a client; and
 - g. To authorize the Division, to order its licensees to pay restitution to a consumer, in addition to its existing authority to levy fines.
- 3. Enact legislation to establish a recovery fund for persons harmed by the actions of licensed mortgage agents, bankers, or brokers, similar to the existing fund for real estate licensees in Chapter 645 of *Nevada Revised Statutes* (NRS). **(BDR 54–229)**
- 4. Enact legislation related to foreclosure on residential mortgages, as follows: **(BDR 52–228)**
 - a. To create a hotline, ombudsman, service coordinator, or other mechanism to coordinate the services of State agencies and officers with jurisdiction over mortgage lending, including the Divisions of Financial Institutions and Mortgage Lending, DBI, and the Bureau of Consumer Protection in the Office of the Attorney General;
 - b. To require a notice of sale to include the telephone number of such a hotline, ombudsman, or service coordinator, as well as contact information for the lender's loss mitigation department, if any, or other person who can provide information on the status of the foreclosure process;
 - c. To require a landlord to disclose to a prospective tenant, on a statutorily prescribed form, if the property offered for rent is the subject of a notice of default or notice of sale, and provide that willful failure to disclose would constitute a deceptive trade practice under Chapter 598 of NRS, subject to both civil and criminal penalties;
 - d. To require posting of a notice of default and notice of sale at the physical address of the affected property, to be displayed prominently while the foreclosure process is pending, and to make it unlawful to willfully remove or deface the notice without authorization;
 - e. To require a notice of default and notice of sale to be sent to the licensing authority if the occupant of the premises is a licensed medical facility or facility for the dependent under Chapter 449 of NRS;
 - f. To require a specific notice to a tenant, stating that a notice of sale has been posted and the tenant has the option of breaking his lease or remaining in the home subject to eviction under Nevada's eviction laws, and including an explanation of eviction time frames;

- g. To provide that a tenant occupying a home after a foreclosure sale must receive at least 60 days' notice (or notice equal to the length of his existing tenancy, if less than 60 days) before being placed in unlawful detainer; to establish specific contents for the notice; to authorize the new owner to offer a cash payment for early return of the property or to negotiate a different outcome (e.g., new rental agreement); and to provide that a tenant who peacefully surrenders property under these circumstances would not have a record of eviction placed in his credit file or elsewhere, since he is not at fault;
 - h. To provide that in a post-foreclosure eviction action, copies of all legally required notices, including the notice preceding unlawful detainer and the summons and complaint must be given to the occupant of the property; and
 - i. To clarify that a lender or new owner who takes title to a home through foreclosure is subject to all applicable existing ordinances, regulations, and rules regarding the maintenance of the home, including covenants, conditions, and restrictions of a homeowners' association.
5. Enact legislation to create a central repository for Nevada housing data and related data, with funding from the Account for Low-Income Housing (Housing Trust Fund), to assist State and local government agencies with planning and implementation efforts.
(BDR 25-225)

SUBCOMMITTEE ACTIONS

The members of the Subcommittee to Study Mortgage Lending and Housing Issues voted to include the following statements in the Subcommittee's final report:

- 6. Supporting the continuance of required third-party counseling for consumers entering into certain loans and stressing that the Subcommittee discourages, in principle, the marketing of loans such as those that result in a loan-to-value ratio greater than 100 percent;
- 7. Stressing the importance of appropriate Housing Division, DBI, funding and programs to assist qualified distressed homeowners;
- 8. Supporting consumer education programs such as the Jump Start Coalition and the inclusion of financial literacy in school curricula;
- 9. Supporting a proposal to establish a toll-free telephone hotline to coordinate consumer services in the mortgage industry in Nevada;
- 10. Supporting creation of a Home Bond Market, in which a public corporation would purchase troubled mortgages at a discount and refinance them at a lower rate with

federal loan guarantees, and in which forgiven debt would become a second lien upon the property, due upon sale;

11. Encouraging consumer counseling agencies to focus their outreach activities precisely, since the criteria for qualifying for refinancing assistance are very specific; supporting relaxation of the Federal Housing Administration (FHA), United States Department of Housing and Urban Development (HUD), requirement that a borrower must be at least 60 days delinquent to qualify for a FHASecure loan; and supporting incentives to lenders to use the FHASecure program;
12. Stressing that the Housing Division should be prepared to intervene in neighborhoods to help them avoid blight and, if necessary, to help individuals transition into different living situations;
13. Supporting the creation of lease-back programs that allow occupants of homes lost through foreclosure to continue to occupy those homes as tenants;
14. Supporting mechanisms to transfer investor-owned homes lost through foreclosure to first-time buyers, with good loans;
15. Stressing the Subcommittee's intent that lenders or new owners taking title to a home after a foreclosure sale must abide by all applicable statutes, ordinances, and contractual obligations pertaining to the maintenance of the exterior of the property by maintaining any foliage, taking action against trespass, covering or draining any swimming pool, and taking other action as required;
16. Supporting an evaluation of Nevada's mortgage lending laws to determine whether they appropriately address deceptive and fraudulent acts and impose sufficient penalties;
17. Supporting the concepts of notifying a tenant that his home is in the foreclosure process; providing a tenant with a fair opportunity to understand and prepare for foreclosure; and making notice requirements practical, reasonable, and respectful of privacy and contractual rights;
18. Encouraging outreach to prospective renters of single-family homes, urging them to use caution regarding defaults and pending foreclosures;
19. Supporting "cash-for-keys" programs, in which a tenant would receive \$2,000 or other amounts from the lender for moving expenses if he voluntarily vacates his home within 30 days after a foreclosure sale;
20. Encouraging lenders to work with licensed property managers to allow tenants to continue to rent homes acquired through foreclosure sales, pending resale;

21. Encouraging government agencies, nonprofits, and other private entities to develop and distribute educational materials making tenants aware of their rights regarding the return of security deposits;
22. Supporting such Nevada programs as the Housing Trust Fund, which produce much-needed affordable multifamily rental housing throughout the State, and stating that public money for affordable housing should not be diverted from existing programs, which are already oversubscribed; and
23. Supporting efforts of professionals within first-time home buyer programs to restore confidence in housing markets by stressing that there is opportunity, even during bad times.

In addition, the Subcommittee directed staff to:

24. Prepare a letter to be sent on the Subcommittee's behalf to units of local government emphasizing their rights and duties to adopt and enforce ordinances regarding maintenance of residential property, particularly as those ordinances apply to homes changing hands through foreclosure, and urging them to submit suggestions to the 2009 Legislative Session regarding any additional authority they require in this regard;
25. Prepare a letter to be sent on the Subcommittee's behalf to Nevada's Congressional Delegation and the President of the United States, urging Congress and the President to conduct investigations and hold hearings on the actions of investment banks and other financial institutions that have enriched those entities but have also created grave problems for Nevada's residents, neighborhoods, and government agencies; and
26. Prepare a letter to be sent on the Subcommittee's behalf to the Attorney General of the State of Nevada urging that an investigation be conducted on whether mortgage lenders who are exempt from State licensing as mortgage agents, bankers, or brokers have conducted inappropriate activities to the detriment of Nevada's consumers.

**REPORT TO THE 75TH SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY
MORTGAGE LENDING AND HOUSING ISSUES**

I. INTRODUCTION

The work of the Legislative Commission's Subcommittee to Study Mortgage Lending and Housing Issues responds to widespread problems in the housing sector that began to become apparent prior to the 74th Legislative Session. Those problems have reached to the highest levels of national and international finance and have profoundly affected individual Nevada residents.

On September 18, 2007, Nevada's Legislative Commission established the Subcommittee to Study Mortgage Lending and Housing Issues, under the authority of subsection 5 of *Nevada Revised Statutes* (NRS) 218.682. Please see Appendix A. The Commission requested a study of residential foreclosures, the real estate market, and subprime lending in Nevada and other states, with a goal of mitigating future mortgage lending problems in our State.

Members of the Subcommittee during the 2007-2008 Interim were:

Assemblyman Marcus L. Conklin, Chairman
Senator Bob Beers
Senator Warren B. Hardy II
Senator Michael A. Schneider
Assemblyman Tom Grady
Assemblywoman Marilyn Kirkpatrick

The following Legislative Counsel Bureau (LCB) staff provided services for the Subcommittee:

Dave Ziegler, Principal Research Analyst, Research Division
Kelly S. Gregory, Senior Research Analyst, Research Division
Daniel Yu, Deputy Legislative Counsel, Legal Division
Lucinda Benjamin, Senior Research Secretary, Research Division

The Subcommittee held six meetings at the Grant Sawyer State Office Building in Las Vegas, Nevada, and the Legislative Building in Carson City, Nevada, through simultaneous videoconferencing. During the course of the study, the Subcommittee heard expert presentations and public testimony on the extent of mortgage lending problems and their impacts throughout the State on the following subjects:

- Consumer counseling and outreach programs;
- Federal initiatives to address mortgage lending problems;

- Other states' legislation on mortgage lending and housing issues;
- Licensing and regulation of mortgage lending professionals in Nevada and other states; and
- Policies and procedures to alleviate the effects of mortgage problems on renters of residential property.

Interested persons may view Subcommittee agendas, minutes, and work session documents on the Subcommittee's Internet webpage at [Mortgage Lending and Housing Issues \(NRS 218.682\)](#) or www.leg.state.nv.us/74th/Interim/, along with information on licensing of mortgage brokers and agents, a set of presentations from the December 3, 2007, meeting, and the summary of recommendations.

At its first meeting on October 22, 2007, the Subcommittee voted to support submission of a proposal to the Legislature's Interim Finance Committee (IFC) to establish a statewide toll-free hotline to coordinate consumer services in the mortgage industry. The IFC considered the proposal on November 14, 2007, and authorized the use of up to \$100,000 from the mortgage lending reserve for a contract with a nonprofit staff to provide assistance to those who need it, and to accept any private donations the State may receive.

At its August 4, 2008, work session, the Subcommittee voted to request drafting of legislation for consideration by the 2009 Legislature. These recommendations include legislation:

- Making various changes regarding the licensing and regulation of mortgage lending professionals, to include establishing that a mortgage broker has a fiduciary duty to a client, requiring a mortgage broker to post a surety bond, requiring registration of out-of-state loan servicers who conduct business in Nevada, and other changes;
- Establishing a recovery fund for persons harmed by the actions of mortgage agents, bankers, or brokers, similar to the existing fund for real estate licensees in Chapter 645 of NRS;
- Addressing issues related to foreclosure on residential mortgages by clarifying and expanding notice requirements; requiring a landlord to disclose to a prospective tenant if property offered for rent is in foreclosure; giving a 60-day notice to a tenant occupying a home after a foreclosure sale before placing him in unlawful detainer; and clarifying that a lender or new owner who takes title to a home through foreclosure is subject to all applicable existing ordinances, regulations, and rules regarding the maintenance of the home;
- Authorizing the creation of community land trusts (CLTs), which are nonprofit entities created primarily to acquire real estate for the purpose of providing affordable home ownership; and

- Creating a central repository for Nevada housing data and related data, with funding from the Account for Low-Income Housing (Housing Trust Fund), to assist State and local government agencies with planning and implementation efforts.

The Subcommittee also voted to include a number of policy statements in the final report, and directed the staff to prepare several letters to federal, State, and local elected officials on issues related to regulation of the mortgage lending industry.

II. BACKGROUND

A. National Context

At the national level, interest rates began to fall in 2001, following the end of the high-technology boom. Wall Street investment banks packaged home mortgages and other consumer debt into securities for sale to large investors. Home prices rose rapidly, essentially doubling between 2000 and 2006. In this low-interest rate, high-appreciation period, activity in risky home loans increased. Consumers could obtain loans with little or no money down and no proof of their financial condition.

In the fourth quarter of 2006, housing prices began to soften. In 2007, New Century Financial, a large subprime mortgage lender, filed for bankruptcy and two hedge funds of the investment bank Bear Stearns, which had invested in the subprime mortgage market, declared bankruptcy. Defaults rose sharply in the second half of the year as more homeowners were unable to refinance or sell. The value of mortgage-backed securities fell rapidly and banks took over \$500 billion in write-downs. American and European banks and mortgage lenders began to seek capital, the Federal Reserve and the Bank of England cut interest rates, and the chief executive officers of Merrill Lynch & Company and Citigroup, Inc., resigned.

To ease the effects on consumers, the FHA initiated the FHASecure refinancing program in the summer of 2007, making more FHA-insured loans available to homeowners with problem mortgages. A coalition of large institutional lenders formed the Hope Now Alliance and agreed to freeze interest rates for certain subprime borrowers. Nevertheless, in January 2008, the Federal Reserve cut its federal funds rate twice, including the largest one-day cut in interest rates in its history, to calm markets and avoid a recession. As the year progressed, financial conditions continued to erode. The J.P. Morgan Chase & Company purchased Bear Stearns and federal regulators seized the large bank, IndyMac Bancorp, Inc., which later filed for bankruptcy. Problems that had started in residential mortgages in the United States spread to credit cards and home equity lines of credit, to retailers and bond insurers, and to Asia and Europe.

In July 2008, the U.S. Congress passed a major housing bill, the Housing and Economic Recovery Act of 2008, modifying the regulation of the FHA, Fannie Mae, Freddie Mac, and the Federal Home Loan Banks; giving the U.S. Treasury temporary authority to invest in

Fannie Mae and Freddie Mac; authorizing a refundable tax credit for first-time home buyers; creating a uniform licensing and registration system for mortgage loan originators; and making other changes. In the same month, the Federal Reserve amended its regulations on truth in lending, Regulation Z, imposing new rules applicable to virtually all subprime loans, effective October 1, 2009.

Still, the financial sector continued to struggle. In September 2008, the U.S. Government took control of the two largest mortgage companies, Fannie Mae and Freddie Mac; Merrill Lynch & Company agreed to merge with Bank of America; investment bank Lehman Brothers filed for bankruptcy; federal regulators seized the large thrift Washington Mutual; and the Federal Reserve rescued and took control of the large insurance firm, American International Group, Inc. In October, Wells Fargo acquired Wachovia Corporation.

On October 3, 2008, President George W. Bush signed the Emergency Economic Stabilization Act of 2008. The bill authorizes the Secretary of the Treasury to insure and to purchase up to \$700 billion of a wide variety of financial instruments, particularly those related to residential and commercial mortgages. The bill also temporarily increases federal deposit insurance coverage and modifies various federal tax laws.

B. Nevada Background

Nevada's population grew rapidly in the last two decades. Testimony before the Subcommittee indicated that Nevada led the U.S. in the rate of population growth in 19 of the last 20 years. From 2000 to 2005, Nevada's population grew by nearly 21 percent, compared to approximately 5 percent nationally. During this period, Arizona, California, Florida, and Nevada had the highest increases in home prices in the country, and Nevada experienced a significant drop in housing affordability, which had been a historical strength.

In 2007, as the nationwide downturn in housing markets took hold, trustees recorded a foreclosure filing (notice of default, notice of sale, or bank repossession) on 3.4 percent of Nevada's households, about one in every 29. California, Florida, and Nevada were the top three states in foreclosure activity. Detroit, Michigan; Las Vegas, Nevada; and Stockton, California, were the top three metropolitan areas. From August through November 2007, southern Nevada was experiencing an average of 44 foreclosures per day. The Subcommittee heard testimony that other rapidly growing Nevada counties had problems at a smaller scale but of a similar nature. Elko County, however, appeared to be responding to increased mining activity and was not seeing high numbers of foreclosures.

A significant percentage of homes with problem mortgages in Nevada were investment properties, where the owner did not occupy the house. The Subcommittee heard estimates of the investor-owned percentage of homes in foreclosure ranging from 32 to 60 percent. Many of the investors were not Nevada residents. Testimony indicated the southern Nevada housing market was highly leveraged (i.e., dependent on borrowed money) and suffering from demand-side inflation, which is not sustainable real demand.

A representative of a nonprofit housing counseling agency testified on October 22, 2007, that over 90 percent of agency clients had good credit but had taken out an inappropriate loan. The vast majority of those could afford the home, given a good loan. Another nonprofit representative testified that more than 90 percent of its clients were in nontraditional loans. On December 3, 2007, the Subcommittee heard testimony that Nevada ranked first in the nation in subprime loans and adjustable rate mortgages (ARMs) as a percentage of total loans.

As the problems in the housing markets continued, it took longer for an owner to sell a house and sales of existing homes fell, creating a large inventory of vacant homes. For every 1 percent drop in housing prices, testimony indicated that the average southern Nevada household lost \$3,225 in household wealth. Largely as a result of the problems in the housing sector, job growth and taxable retail sales declined and the unemployment rate increased. These conditions persisted, and worsened in 2008. In October 2008, Nevada posted the nation's highest foreclosure rate for the twenty-second consecutive month.

C. Prior Legislative Action

To improve the regulation of the mortgage lending industry, the Legislature created the Division of Mortgage Lending (DML) within the Department of Business and Industry (DBI) in 2003. Among other provisions, Assembly Bill 490 (Chapter 516, *Statutes of Nevada 2003*) required licensing of mortgage agents and established continuing education requirements for both brokers and agents to provide a level of professionalism comparable to the real estate profession.

During the 2007 Session, the Legislature enacted four bills to help protect consumers in mortgage transactions. Assembly Bill 329 (Chapter 91, *Statutes of Nevada 2007*) requires the Division of Financial Institutions (FID), DBI, in cooperation with the DML, to adopt regulations on such nontraditional mortgage loans and practices as interest-only loans and payment option ARMs. The regulations must be substantially similar to the guidance of the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators.

Assembly Bill 375 (Chapter 266, *Statutes of Nevada 2007*) requires an applicant for licensure as a mortgage broker or agent to complete specific educational requirements adopted by the DML; requires each loan secured by a lien on real property to include a reasonable servicing fee; and requires a servicer to deposit all money paid to service a loan in an insured account separate from money belonging to a mortgage broker or banker.

Assembly Bill 440 (Chapter 492, *Statutes of Nevada 2007*) adds to Nevada's laws on unfair lending practices, making it an unfair practice to knowingly make a low-document, no-document, or stated-document loan based only on the borrower's home equity, or without determining his ability to repay the loan. The bill also establishes the crime of mortgage lending fraud (a felony) and prohibits certain acts by foreclosure consultants.

Assembly Bill 560 (Chapter 50, *Statutes of Nevada 2007*) also places new requirements on foreclosure consultants.

The Legislature has also considered issues related to housing, most recently during the 2005-2006 Interim. The Legislative Commission's Subcommittee to Study the Availability and Inventory of Affordable Housing, Assembly Concurrent Resolution No. 11 (File No. 97, *Statutes of Nevada 2005*), compiled a large amount of information and recommended several legislative measures for consideration during the 2007 Session. The Legislature enacted A.B. 216 (Chapter 280, *Statutes of Nevada 2007*), which requires preparation of a residential impact statement on the closure or conversion of a manufactured home park.

Together, these measures reflect the Legislature's deep concerns regarding consumers, housing, and residential mortgage loans. As the State entered the 2007-2008 Interim, it quickly became apparent that problems in the housing sector were deepening in Nevada and the nation as a whole. In response, the Legislative Commission unanimously approved creation of the Subcommittee at its September 8, 2007, meeting.

III. REVIEW OF MAJOR ISSUES AND SUBCOMMITTEE ACTIVITIES

A. Consumer Counseling and Education

At its meetings on October 22, 2007, and April 22, 2008, the Subcommittee heard testimony from witnesses affiliated with nonprofit agencies active in consumer counseling and foreclosure prevention efforts. According to testimony, consumers facing delinquency, foreclosure, or interest-rate adjustments on their mortgages have a pressing need for counseling on options. Despite increased counseling caseloads and high foreclosure rates, Nevada had received reduced funding for counseling from the U.S. Department of Housing and Urban Development (HUD). Witnesses said that federal funding to support service delivery through the end of 2008 would likely be exhausted in August. Caseloads had increased and available resources had decreased, on a per-client basis. One nonprofit agency was no longer participating in new outreach or accepting referrals from other agencies.

At the conclusion of its first meeting, the Subcommittee voted to support a proposal to the IFC to establish a statewide toll-free hotline to coordinate consumer services in the mortgage industry. On November 14, 2007, the IFC authorized the expenditure for this purpose of up to \$100,000 from the mortgage lending reserve, along with any private donations.

Although counseling resources continue to be stretched thin, the situation improved somewhat on July 30, 2008, when the President signed the federal Housing and Economic Recovery Act. At the Subcommittee's meeting on August 4, 2008, Shannon C. Raborn, Southern Nevada Director, Office of U.S. Senator Harry Reid, briefed the Subcommittee on the Act, which includes a \$150 million appropriation for continued pre-foreclosure counseling by national counseling agencies and their affiliates.

In general, witnesses said consumers need access to impartial nonprofit agencies that can help them mitigate potential loss, identify housing options, and prepare for future home ownership. It is also important for a consumer to learn about counseling services and acknowledge he has a problem early enough to change his outcome. Other needs include: culturally relevant education and communication; education on second mortgages; improved outreach to borrowers, especially regarding foreclosure scams; more comprehensive home buyer education; and training for counselors on workout options.

B. Availability of New Mortgage Loans and Refinancing

At the Subcommittee's initial meeting on October 22, 2007, witnesses from nonprofit agencies and HUD discussed the impacts of the housing downturn on consumers. The widespread tightening of credit was making it difficult for buyers to get new loans and declining home prices were making it difficult for homeowners to refinance. The Director of HUD's Reno Field Office testified that his office was working with the Nevada Rural Housing Authority (NRHA) on possible refinancing for the secured and unsecured portions of home loans, using proceeds from the sale of taxable bonds. However, there were no buyers for such bonds.

On December 3, 2007, the Subcommittee and the Director of Nevada's DBI discussed whether Nevada should create a bond fund for financing the secured and unsecured debt of borrowers. In the Director's opinion, such a fund would not be prudent since bondholders would have no recourse for default on the unsecured portion of a loan.

On April 22, 2008, representatives of the nonprofit housing counseling agencies commented on qualifying criteria for loan modifications. To qualify, a lender may require a borrower to be at least 60 days delinquent or to be delinquent only after an interest rate reset and not before. Investment pools that make mortgage loans typically set limits on the number of loans to be modified. Therefore, the nonprofit agencies must carefully tailor outreach efforts to reach qualified borrowers. Other factors affecting consumers' ability to refinance were complications related to second mortgages and automatic reductions in appraisals in high-risk markets, which included southern Nevada at that time.

C. Fraud and Deceptive Trade Practices

At the April 22, 2008, meeting, a witness from the CSBS testified that the extent of mortgage fraud is "woefully underestimated," and that Nevada ranked high in a national ranking of mortgage fraud. A representative of a nonprofit housing counseling agency said the agency had seen an increase in apparent violations of the new restrictions on foreclosure consultants in Chapter 645F of NRS, although it was not always clear whether the violations occurred before or after the law's effective date.

There are many steps and many players in a mortgage transaction and, therefore, many opportunities for fraud and deception to occur. The Subcommittee received testimony on

two types of borrower fraud: first-payment default, which is an indicator of a fraudulent loan usually resulting in foreclosure, and misrepresentation of a borrower's qualifications on a loan application, especially regarding his intention to occupy the home.

D. Effects on Existing Neighborhoods

At the initial meeting on October 22, 2007, the Subcommittee heard testimony saying that a few foreclosures would drag down home values in an entire neighborhood. According to a HUD representative, if a homeowner cannot stay in a home, it is critical to transfer the home to stable ownership as soon as possible. At the January 28, 2008, meeting, representatives of the NRHA said that a CLT is a useful tool for maintaining neighborhoods and provides a pool of affordable, available housing. However, Nevada lacks enabling legislation.

At the April 22, 2008, meeting, a representative of a nonprofit counseling agency said that some borrowers do not seek help, lose confidence in their ability to obtain assistance, and walk away from property, perhaps damaging or destroying the property in the process. Property damage makes it difficult to get an adequate appraisal for refinancing and reduces the value of other property in the neighborhood.

Also on April 22, 2008, the Subcommittee discussed problems of delinquencies and defaults within homeowners' associations and common-interest communities (CICs). Borrowers in default often do not pay association dues, placing an increased burden on other owners. When lenders take property back, they may turn off the utilities and let the homes deteriorate. There are particular problems with landscaping and swimming pools, just as there are outside CICs.

E. Oversight and Regulation of Mortgage Professionals

Through the DML, the State of Nevada licenses mortgage agents, bankers, and brokers and escrow agents and agencies. (A 50-state comparison of licensing requirements for brokers and agents appears on the Subcommittee's webpage at [Mortgage Lending and Housing Issues \(NRS 218.682\)](#) or www.leg.state.nv.us/74th/Interim/). At the meeting of April 22, 2008, the Subcommittee considered a wide variety of subjects related to professional licensing.

First, Nevada's Commissioner of Mortgage Lending testified that there is a lack of regulation of loan servicers in Nevada. The DML regulates only those escrow agencies located in and doing business in Nevada and, according to NRS 80.015, collection of mortgage debt does not constitute doing business in Nevada. Also, the DML can fine an escrow agent or agency only up to \$500 per violation of the statutes, while the DML may issue fines up to \$10,000 per violation against other licensees. A loan servicing company is an escrow agency.

Next, the Subcommittee discussed the fact that Nevada does not require a mortgage broker to post a bond. Many other states require a bond and some require a broker to carry liability insurance.

Witnesses and Subcommittee members then discussed the idea that the interests of lenders and consumers in mortgage transactions may not be the same. No one represents the borrower in a mortgage transaction. To enhance accountability, other states have imposed a fiduciary duty on mortgage brokers.

Finally, a representative of the CSBS introduced the new Nationwide Mortgage Licensing System. This system, which the U.S. Congress incorporated into the Housing and Economic Recovery Act, creates a new regulatory framework for the mortgage lending industry. The Act gives each originator and broker a unique identifier, which state regulators can use to monitor companies and professionals across the 50 states. The identifiers can also be used in a performance scoring system to create more accountability.

F. Effects on Rental Tenants

At each of its meetings, the Subcommittee considered the effects of residential foreclosures on rental tenants. Representatives of the housing counseling agencies said they were seeing more renter evictions and considered this the next wave of counseling clients. The majority of nonowner-occupied homes with problem mortgages have a tenant.

The vast majority of residential foreclosures in Nevada are nonjudicial proceedings under a deed of trust, pursuant to NRS 107.080 through NRS 107.100. The trustee must record a notice of default and election to sell, also known as a notice of default, at least 3 months prior to exercising the power of sale granted in the deed. At least three months after recording the notice of default, the trustee may record the notice of sale and must provide notice to the borrower, post it for 20 days, and publish the notice once a week for 3 weeks prior to the sale.

Witnesses indicated that a rental tenant is often not aware that a notice of default or notice of sale has been recorded, since there is no law requiring the tenant to receive notice. An unscrupulous landlord may even rent to a new tenant without informing him of such a notice and collect rent payments without making the mortgage payments.

After a foreclosure sale, the lender or new owner who has taken title to the home must place the occupant in unlawful detainer before taking an eviction action in court. The lender or new owner must serve the occupant with a notice and wait three judicial days to place the occupant in unlawful detainer. The lender or new owner may then seek to enforce the right of possession through an eviction action after filing a summons and complaint, giving the defendant an opportunity to answer, obtaining a writ of restitution by default or after a hearing, and having the defendant evicted by a sheriff or constable if he fails to leave voluntarily. (See NRS 40.255 and NRS 40.290 through NRS 40.420.)

In most cases, a foreclosure sale voids a preexisting lease. When tenants are evicted with little or no warning, they may have insufficient time to relocate, may use all their discretionary income to relocate, and may not get a refund of their security deposit and last month's rent.

Also, renters who earn more than 80 percent of the area median income do not qualify for certain types of assistance.

Finally, an out-of-state landlord may allow a house in Nevada to go into foreclosure and file for bankruptcy in his home state. The tenant probably cannot afford to hire an out-of-state attorney to intervene in the bankruptcy proceeding.

G. Overall Effects of Mortgage Lending and Housing Problems

Mortgage problems affect many people in addition to the borrower and the lender. They impose substantial costs on third parties. Impacts on neighbors include lower rental income for neighborhood landlords, reduced sales at local businesses, and negative effects on property values and prices. Impacts on government include increased community development, fire, legal, police, sanitation, and service costs; loss of tax revenue from defaults; slower growth (or actual decline) in residential property valuation and tax base; adverse effects on business location decisions; and reduced sales tax receipts.

At the time of the December 3, 2007, meeting, witnesses testified that foreclosure losses for lenders in southern Nevada ranged from 20 to 60 cents on the dollar, an estimated \$58,800 per foreclosure. The estimated average municipal cost of a foreclosure in southern Nevada was \$6,937. A report prepared for the U.S. Conference of Mayors and submitted to the Subcommittee estimated fiscal impacts in metropolitan areas throughout the country. The report is available at www.usmayors.org/metroeconomies/1107/report.pdf.

IV. FINDINGS AND RECOMMENDATIONS

A. Community Land Trusts

As mentioned earlier in this report, a CLT may be a useful tool for maintaining neighborhoods by creating a pool of affordable, available housing. A CLT is a nonprofit organization that owns real estate in order to provide benefits to its local community. At the Subcommittee meeting on January 28, 2008, representatives of the NRHA testified that Nevada lacks necessary enabling legislation. In discussion during the work session, Subcommittee members said enabling legislation would be appropriate, since it would leave the decision whether to form such a trust with its organizing members.

Therefore, the Subcommittee recommended that the Legislature:

RECOMMENDATION NO. 1—Enact legislation authorizing the creation of CLTs designed to serve very low, low, and moderate income households. A CLT is a nonprofit entity created primarily to acquire real estate to be held in a long-term ground lease for the primary purpose of providing affordable home ownership. The owner of a home in a CLT would be

issued a deed recorded in the county where the home is located and assigned a separate parcel number. The CLT would receive a real property tax exemption for the land and retain a preemptive option to purchase any structural improvements on the land at a price determined by formula and specified in the ground lease to ensure that the improvements remain affordable. (BDR 25–227)

B. Mortgage Agents, Bankers and Brokers, and Related Professions

To mitigate future problems, such as those Nevada is now experiencing, one approach is to enhance the regulatory scheme for mortgage professionals. The Subcommittee considered a wide range of possible recommendations on this subject from representatives of the Executive Branch, members of the public, and members of the Subcommittee itself. In making its recommendation, the Subcommittee intends to clarify the State’s authority over foreclosure consultants, out-of-state loan servicers, and unlicensed individuals and to enhance the enforcement authority of the DML. Further, the Subcommittee’s recommendation includes two provisions that would increase the level of accountability of a licensed mortgage broker by requiring a surety bond (as the majority of other states do) and by providing that a mortgage broker has a fiduciary duty to his client.

Therefore, the Subcommittee recommended that the Legislature:

RECOMMENDATION NO. 2—Enact legislation related to mortgage agents, bankers, and brokers and related professions, as follows (BDR 54–230):

- a. To clarify that the DBI has enforcement authority over foreclosure consultants, without implementing a new licensing scheme, and requiring the Commissioner, Division of Mortgage Lending, DBI, to adopt regulations to carry out the statutory provisions;
- b. To increase the maximum fine for escrow agents and agencies from \$500 to \$10,000, consistent with the maximum fine for other licensees of the Division;
- c. To require mortgage brokers to post a surety bond;
- d. To require registration of out-of-state mortgage loan servicers who conduct business in the State of Nevada;
- e. To authorize administrative fines and other appropriate penalties upon a person who, without a license or statutory exemption, conducts any business or activity for which an escrow agency or mortgage agent, banker, or broker license is required;

- f. To establish that a mortgage broker has a fiduciary duty to a client; and
- g. To authorize the Division to order its licensees to pay restitution to a consumer, in addition to its existing authority to levy fines.

C. Mortgage Lending Recovery Fund

Nevada has established several education and recovery funds, which create pools of money to satisfy claims by those who employ licensed contractors, purchase manufactured homes, or purchase real estate. An aggrieved person may seek compensation for losses resulting from deceit, fraud, or misrepresentation. License fees capitalize the funds. A claimant must first obtain a final judgment in court and petition for payment of damages. A member of the public suggested creation of a recovery fund for those who take out mortgage loans, and the Subcommittee felt that the Legislature should consider such a fund.

Therefore, the Subcommittee recommended that the Legislature:

RECOMMENDATION NO. 3—Enact legislation to establish a recovery fund for persons harmed by the actions of licensed mortgage agents, bankers, or brokers, similar to the existing fund for real estate licensees in Chapter 645 of NRS. (BDR 54–229)

D. Foreclosure on Residential Deeds of Trust

Given the high numbers of recent foreclosures on residential mortgages in Nevada, the Subcommittee considered a wide range of testimony on difficulties imposed on homeowners, neighborhoods, renters, and others. Based on detailed discussions of these matters among the members, the Subcommittee made a series of recommendations related to foreclosures. In general, the intent of these recommendations is to help homeowners keep their homes; to alert licensing authorities for medical facilities and facilities for the dependent when a licensee is facing foreclosure; to give rental tenants important information they need during both the pre- and post-foreclosure phases and to give them additional time to make housing arrangements after a foreclosure; and to clarify post-foreclosure responsibilities for property maintenance.

Therefore, the Subcommittee recommended that the Legislature:

RECOMMENDATION NO. 4—Enact legislation related to foreclosure on residential mortgages, as follows (BDR 52–228):

- a. To create a hotline, ombudsman, service coordinator, or other mechanism to coordinate the services of State agencies and officers with jurisdiction over mortgage lending, including the Divisions of Financial

Institutions and Mortgage Lending, DBI, and the Bureau of Consumer Protection in the Office of the Attorney General;

- b. To require a notice of sale to include the telephone number of such a hotline, ombudsman, or service coordinator, as well as contact information for the lender's loss mitigation department, if any, or other person who can provide information on the status of the foreclosure process;**
- c. To require a landlord to disclose to a prospective tenant, on a statutorily prescribed form, if the property offered for rent is the subject of a notice of default or notice of sale, and provide that willful failure to disclose would constitute a deceptive trade practice under Chapter 598 of NRS, subject to both civil and criminal penalties;**
- d. To require posting of a notice of default and notice of sale at the physical address of the affected property, to be displayed prominently while the foreclosure process is pending, and to make it unlawful to willfully remove or deface the notice without authorization;**
- e. To require a notice of default and notice of sale to be sent to the licensing authority if the occupant of the premises is a licensed medical facility or facility for the dependent under Chapter 449 of NRS;**
- f. To require a specific notice to a tenant, stating that a notice of sale has been posted and the tenant has the option of breaking his lease or remaining in the home subject to eviction under Nevada's eviction laws, and including an explanation of eviction time frames;**
- g. To provide that a tenant occupying a home after a foreclosure sale must receive at least a 60-day notice (or notice equal to the length of his existing tenancy, if less than 60 days) before being placed in unlawful detainer; to establish specific contents for the notice; to authorize the new owner to offer a cash payment for early return of the property or to negotiate a different outcome (e.g., new rental agreement); and to provide that a tenant who peacefully surrenders property under these circumstances would not have a record of eviction placed in his credit file or elsewhere, since he is not at fault;**
- h. To provide that in a post-foreclosure eviction action, copies of all legally required notices, including the notice preceding unlawful detainer and the summons and complaint must be given to the occupant of the property; and**

- i. To clarify that a lender or new owner who takes title to a home through foreclosure is subject to all applicable existing ordinances, regulations, and rules regarding the maintenance of the home, including covenants, conditions, and restrictions of a homeowners' association.

E. Central Repository for Nevada Housing Data

During the 2005-2006 Interim, the Legislative Commission's Subcommittee to Study the Availability and Inventory of Affordable Housing (A.C.R. 11) recommended creation of a central repository for Nevada housing data and related data. The Nevada Housing Database Partnership suggested the idea, the intent of which was to assist State agencies and nonprofits with the funding and implementation of their housing programs. The Subcommittee's recommendation became A.B. 255 of the 2007 Session. As amended, A.B. 255 would have funded the data repository with money from the Account for Low-Income Housing ("Housing Trust Fund"). Ultimately, the bill did not pass, having failed the deadline for passage. The Subcommittee to Study Mortgage Lending and Housing Issues considered and supported the concept again during its August 4, 2008, work session.

Therefore, the Subcommittee recommended that the Legislature:

RECOMMENDATION NO. 5—Enact legislation to create a central repository for Nevada housing data and related data, with funding from the Account for Low-Income Housing (Housing Trust Fund), to assist State and local government agencies with planning and implementation efforts. (BDR 25-225)

F. Other Subcommittee Actions

Consumer counseling. In addition to the recommended legislation to create a mortgage lending hotline or ombudsman, witnesses urged the Subcommittee to adopt statements reinforcing the importance of consumer counseling, financial literacy programs, and enhanced access to assistance and information.

Therefore, the Subcommittee voted to include statements in the final report:

RECOMMENDATION NO. 6—Supporting the continuance of required third-party counseling for consumers entering into certain loans and stressing that the Subcommittee discourages, in principle, the marketing of loans such as those that result in a loan-to-value ratio greater than 100 percent;

RECOMMENDATION NO. 7—Stressing the importance of appropriate Housing Division, DBI, funding and programs to assist qualified distressed homeowners;

RECOMMENDATION NO. 8—Supporting consumer education programs such as the Jump Start Coalition and the inclusion of financial literacy in school curricula; and

RECOMMENDATION NO. 9—Supporting a proposal to establish a toll-free telephone hotline to coordinate consumer services in the mortgage industry in Nevada.

New loans and refinancing. The Subcommittee heard testimony on the combined effects of tighter underwriting standards and falling home prices on consumers' efforts to obtain new loans and refinance existing loans. The Subcommittee recognized that slowing and reversing the downturn in Nevada's housing markets will require access to new mortgage loans and refinancing and the likely involvement of the federal government.

Therefore, the Subcommittee voted to include statements in the final report:

RECOMMENDATION NO. 10—Supporting creation of a Home Bond Market, in which a public corporation would purchase troubled mortgages at a discount and refinance them at a lower rate with federal loan guarantees, and in which forgiven debt would become a second lien upon the property, due upon sale; and

RECOMMENDATION NO. 11—Encouraging consumer counseling agencies to focus their outreach activities precisely, since the criteria for qualifying for refinancing assistance are very specific; supporting relaxation of the FHA requirement that a borrower must be at least 60 days delinquent to qualify for a FHASecure loan; and supporting incentives to lenders to use the FHASecure program.

Neighborhood preservation. In addition to recommending legislation to authorize creation of CLTs, to clarify post-foreclosure responsibilities for home maintenance, and to slow the pace of foreclosures generally, witnesses urged the Subcommittee to adopt statements supporting neighborhoods affected by problem mortgages. Specifically regarding homes falling into disrepair after a foreclosure, the Subcommittee said it was important to emphasize the title holder's legal and contractual obligations to local governments and homeowners' associations in the area of code enforcement.

Therefore, the Subcommittee voted to include statements in the final report:

RECOMMENDATION NO. 12—Stressing that the Housing Division, DBI, should be prepared to intervene in neighborhoods to help them avoid blight and, if necessary, to help individuals transition into different living situations;

RECOMMENDATION NO. 13—Supporting the creation of lease-back programs that allow occupants of homes lost through foreclosure to continue to occupy those homes as tenants;

RECOMMENDATION NO. 14—Supporting mechanisms to transfer investor-owned homes lost through foreclosure to first-time buyers, with good loans; and

RECOMMENDATION NO. 15—Stressing the Subcommittee’s intent that lenders or new owners taking title to a home after a foreclosure sale must abide by all applicable statutes, ordinances, and contractual obligations pertaining to the maintenance of the exterior of the property by maintaining any foliage, taking action against trespass, covering or draining any swimming pool, and taking other action as required.

Fraud and deceptive trade practices. Although Nevada has taken steps—including the passage of legislation in the 2007 Session—to hold accountable those who would commit mortgage fraud or deceive consumers, testimony indicated that Nevada remains vulnerable to mortgage lending fraud.

Therefore, the Subcommittee voted to include a statement in the final report:

RECOMMENDATION NO. 16—Supporting an evaluation of Nevada’s mortgage lending laws, to determine whether they appropriately address deceptive and fraudulent acts and impose sufficient penalties.

Effects on rental tenants. In addition to recommending several pieces of legislation to reduce the effects of foreclosures on renters, witnesses urged the Subcommittee to adopt policy statements emphasizing that renters must have the information they need to make informed choices on housing.

Therefore, the Subcommittee voted to include statements in the final report:

RECOMMENDATION NO. 17—Supporting the concepts of notifying a tenant that his home is in the foreclosure process; providing a tenant with a fair opportunity to understand and prepare for foreclosure; and making

notice requirements practical, reasonable, and respectful of privacy and contractual rights; and

RECOMMENDATION NO. 18—Encouraging outreach to prospective renters of single-family homes, urging them to use caution regarding defaults and pending foreclosures.

Further, regarding homes that have changed hands through foreclosure, witnesses urged the Subcommittee to adopt statements calling for all the affected parties to work together to minimize adverse impacts.

Therefore, the Subcommittee voted to include statements in the final report:

RECOMMENDATION NO. 19—Supporting “cash-for-keys” programs, in which a tenant would receive \$2,000 or other amounts from the lender for moving expenses if he voluntarily vacates his home within 30 days after a foreclosure sale;

RECOMMENDATION NO. 20—Encouraging lenders to work with licensed property managers to allow tenants to continue to rent homes acquired through foreclosure sales, pending resale; and

RECOMMENDATION NO. 21—Encouraging government agencies, nonprofits, and other private entities to develop and distribute educational materials making tenants aware of their rights regarding the return of security deposits.

Overall effects of mortgage problems. Given Nevada’s rapid population growth, the need to support Nevada’s workforce with adequate housing stock, and the need to instill confidence in those wishing to own a home for the first time, witnesses urged the Subcommittee to adopt policy statements in support of affordable housing and first-time home buyer programs.

Therefore, the Subcommittee voted to include statements in the final report:

RECOMMENDATION NO. 22—Supporting such Nevada programs as the Housing Trust Fund, which produce much-needed affordable multifamily rental housing throughout the State, and stating that public money for affordable housing should not be diverted from existing programs, which are already oversubscribed; and

RECOMMENDATION NO. 23—Supporting efforts of professionals within first-time home buyer programs to restore confidence in housing markets by stressing that there is opportunity, even during bad times.

Correspondence with local, state, and federal units of government. The impacts of multiple foreclosures on existing neighborhoods and homeowners' associations were of great concern to the Subcommittee. Members considered testimony citing problems with mosquitoes, ruined landscaping, trespass, and upkeep. Subcommittee members wished to reinforce the importance of addressing such problems at the local government level. Local governments are the closest to the problems and have traditionally taken responsibility for enforcing building codes.

Therefore, the Subcommittee directed the staff to:

RECOMMENDATION NO. 24—Prepare a letter to be sent on the Subcommittee's behalf to units of local government emphasizing their rights and duties to adopt and enforce ordinances regarding maintenance of residential property, particularly as those ordinances apply to homes changing hands through foreclosure, and urging them to submit suggestions to the 2009 Legislative Session regarding any additional authority they require in this regard.

Finally, several witnesses urged the Subcommittee to take note of the possibility that ethical breaches and illegal or unregulated activity within the State's and the nation's financial institutions have contributed greatly to the current problems and have adversely affected the everyday lives of all Nevada citizens.

Therefore, the Subcommittee directed staff to:

RECOMMENDATION NO. 25—Prepare a letter to be sent on the Subcommittee's behalf to Nevada's Congressional Delegation and the President of the United States, urging Congress and the President to conduct investigations and hold hearings on the actions of investment banks and other financial institutions that have enriched those entities but have also created grave problems for Nevada's residents, neighborhoods, and government agencies; and

RECOMMENDATION NO. 26—Prepare a letter to be sent on the Subcommittee's behalf to the Attorney General of the State of Nevada urging that an investigation be conducted on whether mortgage lenders who are exempt from State licensing as mortgage agents, bankers, or brokers have conducted inappropriate activities to the detriment of Nevada's consumers.

Upon approval by the Subcommittee Chairman, these letters will be posted on the Subcommittee's Internet webpage at [Mortgage Lending and Housing Issues \(NRS 218.682\)](http://www.leg.state.nv.us/74th/Interim/) or www.leg.state.nv.us/74th/Interim/.

V. APPENDICES

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APPENDIX A

Nevada Revised Statutes 218.682, “Legislative Commission: General Powers.”

Nevada Revised Statutes 218.682

NRS 218.682 Legislative Commission: General powers. The Legislative Commission may:

1. Carry forward the participation of the State of Nevada as a member of the Council of State Governments and the National Conference of State Legislatures, and may pay annual dues to those organizations out of the Legislative Fund. The Legislative Commission is designated as Nevada's Commission on Interstate Cooperation.

2. Encourage and assist the government of this State to develop and maintain friendly contact by correspondence, by conference, and otherwise, with the other states, with the Federal Government and with local units of government.

3. Establish such delegations and committees as official agencies of the Legislative Counsel Bureau as may be deemed advisable to confer with similar delegations and committees from other states concerning problems of mutual interest. The membership of those delegations and committees must be designated by the Legislative Commission and may consist of Legislators and employees of the State other than members of the Commission. Members of those delegations and committees shall serve without salary, but they are entitled to receive out of the Legislative Fund the per diem expense allowance provided for state officers and employees generally and the travel expenses provided pursuant to [NRS 218.2207](#).

4. Endeavor to advance cooperation between this State and other units of government whenever it seems advisable to do so by formulating proposals for interstate compacts and reciprocal or uniform legislation, and by facilitating the adoption of uniform or reciprocal administrative rules and regulations, informal cooperation of governmental offices, personal cooperation among governmental officials and employees, interchange and clearance of research and information and any other suitable process.

5. Conduct studies or investigations concerning governmental problems, important issues of public policy or questions of statewide interest. The Legislative Commission may establish subcommittees and interim or special committees as official agencies of the Legislative Counsel Bureau to conduct such studies or investigations or otherwise to deal with such governmental problems, important issues of public policy or questions of statewide interest. The membership of those subcommittees and interim or special committees must be designated by the Legislative Commission and may consist of members of the Legislative Commission and Legislators other than members of the Commission, employees of the State of Nevada or citizens of the State of Nevada. Members of those subcommittees and interim or special committees who are not Legislators shall serve without salary, but they are entitled to receive out of the Legislative Fund the per diem expense allowances and travel expenses provided for state officers and employees generally. Except during a regular or special session of the Legislature, members of those subcommittees and interim or special committees who are Legislators are entitled to receive out of the Legislative Fund the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session for each day or portion of a day of attendance, and the per diem expense allowances provided for state officers and employees generally and the travel expenses provided pursuant to [NRS 218.2207](#).

6. Supervise the functions assigned to the Divisions of the Bureau in this chapter.

7. Authorize the Director of the Legislative Counsel Bureau to enter into agreements for the acquisition of property it deems necessary to support the Legislature and its staff. The Director may expend money from the Legislative Fund for this purpose.

[10:134:1953]—(NRS A 1957, 386; 1961, 253; 1963, 1014; 1965, 1455; 1971, 2206; 1973, 119, 1118; 1975, 296; 1979, 612; 1985, 399; 1989, 1218, 1493; 1993, 2250)

APPENDIX B

Suggested Legislation

The following Bill Draft Requests will be available during the 2009 Legislative Session, or can be accessed after “Introduction” at the following website: [Nevada Legislature Bill Draft Request List of the 75th Session \(2009\)](http://www.leg.state.nv.us/75th2009/BDRList/) or www.leg.state.nv.us/75th2009/BDRList/.

BDR 25-225 Creates a central repository for Nevada housing data.

BDR 25-227 Authorizes the creation of community land trusts.

BDR 52-228 Makes various changes to provisions relating to foreclosures of real mortgages.

BDR 54-229 Establishes a recovery fund for persons victimized by mortgage lending and related professionals.

BDR 54-230 Makes various changes to provisions relating to mortgage lending and related professions.