

LCB File No. R150-05

**PROPOSED REGULATION OF THE
DIVISION OF FINANCIAL INSTITUTIONS OF
THE DEPARTMENT OF BUSINESS AND INDUSTRY**

**NOTICE OF INTENT TO ACT UPON A REGULATION
Notice of Hearing for The Adoption and Amendment of Regulations of
The Financial Institutions Division of the Department of Business and Industry**

**NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON PROPOSED
REGULATIONS OF CHECK-CASHING, DEFERRED DEPOSIT LOAN,
SHORT-TERM LOAN AND TITLE LOAN SERVICES**

September 16, 2005

The State of Nevada, Financial Institutions Division (“Division”) is proposing the adoption of regulations to chapter 604A of the Nevada Administrative Code (NAC) that pertain to check-cashing, deferred deposit loan, short-term loan and title loan services. A workshop to solicit comments from interested persons on the proposed regulations will be held at the following locations through simultaneous videoconference:

Date: Friday, October 7, 2005

Time: 9:00 a.m.

In Las Vegas: Grant Sawyer Building
555 E. Washington Avenue
Room 4401
Las Vegas, Nevada 89101

In Carson City: State Legislature
401 S. Carson Street
Room 4100
Carson City, Nevada 89701

The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations:

To adopt regulations amend chapter 604A of the Nevada Administrative Code as required by the mandates contained in NRS chapter 604A to provide for the licensing and regulation of providers of check-cashing, deferred deposit loan, short-term loan, and title loan services including the establishment of fees for licensing, audit, examination, investigation, and the Division's CPA.

This Notice has been sent to all persons on the Division's mailing list for administrative regulations, posted on the Division's web site at <http://www.fid.state.nv.us>, and posted at the following public locations for inspection by members of the public:

Financial Institutions Division
2785 E. Desert Inn Road, Suite 180,
Las Vegas, Nevada 89121

Financial Institutions Division
901 S. Stewart Street, 1003
Carson City, Nevada 89701

State Library
100 Stewart Street
Carson City, Nevada 89701

The proposed regulations to be considered for amendment and adoption can be obtained by visiting or contacting the Division directly or on the Internet at: <http://www.fid.state.nv.us>. Copies of this Notice and/or the proposed regulations will be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Members of the public who are disabled and require special accommodations or assistance at the workshop must notify Steve Kondrup, Deputy Commissioner, at the Division in writing at 2785 E. Desert Inn Road, Suite 180, Las Vegas, Nevada 89121, no later than 5 working days prior to the workshop. Any questions should be directed to Steve Kondrup, Deputy Commissioner, at (702) 486-4120.

NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON PROPOSED REGULATIONS OF CHECK-CASHING, DEFERRED DEPOSIT LOAN, SHORT-TERM LOAN AND TITLE LOAN SERVICES

September 16, 2005

The State of Nevada, Financial Institutions Division (“Division”) is proposing the adoption of regulations to chapter 604A of the Nevada Administrative Code (NAC) that pertain to check-cashing, deferred deposit loan, short-term loan and title loan services. A workshop to solicit comments from interested persons on the proposed regulations will be held at the following locations through simultaneous videoconference:

Date: Friday, October 21, 2005

Time: 9:00 a.m.

In Las Vegas: Grant Sawyer Building
555 E. Washington Avenue
Room 4401
Las Vegas, Nevada 89101

In Carson City: State Legislature
401 S. Carson Street
Room 4100
Carson City, Nevada 89701

The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations:

To adopt regulations amend chapter 604A of the Nevada Administrative Code as required by the mandates contained in NRS chapter 604A to provide for the licensing and regulation of providers of check-cashing, deferred deposit loan, short-term loan, and title loan services including the establishment of fees for licensing, audit, examination, investigation, and the Division’s CPA.

This Notice has been sent to all persons on the Division’s mailing list for administrative regulations, posted on the Division’s web site at <http://www.fid.state.nv.us>, and posted at the following public locations for inspection by members of the public:

Financial Institutions Division
2785 E. Desert Inn Road, Suite 180,
Las Vegas, Nevada 89121

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901 S. Stewart Street, 1003
Carson City, Nevada 89701

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The proposed regulations to be considered for amendment and adoption can be obtained by visiting or contacting the Division directly or on the Internet at: <http://www.fid.state.nv.us>. Copies of this Notice and/or the proposed regulations will be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Members of the public who are disabled and require special accommodations or assistance at the workshop must notify Steve Kondrup, Deputy Commissioner, at the Division in writing at 2785 E. Desert Inn Road, Suite 180, Las Vegas, Nevada 89121, no later than 5 working days prior to the workshop. Any questions should be directed to Steve Kondrup, Deputy Commissioner, at (702) 486-4120.

NOTICE OF INTENT TO ACT UPON REGULATION

September 16, 2005

Notice of hearing for the adoption and amendment of regulations governing providers of check-cashing, deferred deposit loan, short-term loan and title loan services

The Financial Institutions Division (“Division”) will hold a public hearing for the purpose of ordering the adoption and amendment of regulations that pertain to chapter 604A of the Nevada Administrative Code (NAC) and soliciting comments from interested persons regarding the same. The hearing will be held at the following locations through simultaneous video conference:

Date: Friday, October 21, 2005

Time: 9:15 a.m. or immediately after the workshop scheduled at 9:00 a.m. at the same location

In Las Vegas: Grant Sawyer Building
555 E. Washington Avenue
Room 4401
Las Vegas, Nevada 89101

In Carson City: State Legislature
401 S. Carson Street
Room 4100
Carson City, Nevada 89701

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. **The need for and the purpose of the proposed regulation or amendment.** The 2005 legislative session passed Assembly Bill 384 (AB 384), which bill was signed by the Governor and became effective July 1, 2005. AB 384 provides for a new chapter in the Nevada Revised Statutes (NRS), NRS chapter 604A. AB 384 also mandates the Commissioner of the Financial Institutions Division adopt certain regulations and further provides the Division with authority to adopt regulations as necessary to effect the purposes of NRS chapter 604A. Pursuant to the mandate and authority under AB 384, the proposed regulations are necessary for the Division to

properly license and regulate check-cashing, deferred deposit loan, short-term loan and title loan services in Nevada.

2. **Either the terms or the substance of the regulation to be adopted, amended, or repealed, or a description of the subjects and issues involved.** The terms of the proposed regulations to be adopted and amended are attached hereto as the proposed regulations of check-cashing, deferred deposit loan, short-term loan, and title loan services under NAC 604A.
3. **The estimated economic effect of the regulation on the business which it is to regulate and on the public.** The estimated economic effect of the proposed regulations to be adopted and amended on providers of check-cashing, deferred deposit loan, short-term loan, and title loan services and the public are as follows:

A. **Estimated economic effect:** It is estimated that the proposed regulations to be adopted and amended would have a small economic effect on providers of check-cashing, deferred deposit loan, short-term loan, and title loan services.

(i). **Adverse and beneficial effects:** The proposed regulations to be adopted and amended provide for licensing, audit, examination, investigation, and CPA fees by the Division. However, the proposed regulations implement the provisions of NRS chapter 604A, provide consumer protection benefits, and offset the costs to the Division in the licensing and regulation of providers of check-cashing, deferred deposit loan, short-term loan, and title loan services.

(ii). **Immediate and long-term effects:** The proposed regulations to be adopted and amended will have similar immediate and long-term effects as the adverse and beneficial effects.

B. **Estimated economic effect on the public:** It is estimated that the proposed regulations to be adopted and amended will not have a negative economic effect on public.

(i). **Adverse and beneficial effects:** The proposed regulations to be adopted and amended implement the provisions of NRS chapter 604A for the licensing and regulation of providers of check-cashing, deferred deposit loan, short-term loan, and title loan services as well as provide consumer protection benefits to the public.

- (ii). **Immediate and long-term effects:** The proposed regulations to be adopted and amended will have similar immediate and long-term effects for the public.
4. **The estimated cost to the agency for enforcement of the proposed regulation.** There is no estimated cost to the Division beyond costs that are within the allotted legal budget of the Division.
 5. **A description of and citation to any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.** The proposed regulations to be adopted and amended do not overlap or duplicate any regulations of other state or local government agencies or of any federal agency.
 6. **If the regulation is required pursuant to federal law, a citation and description of the federal law.** The proposed regulations to be adopted and amended are not required by federal law.
 7. **If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.** The proposed regulations to be adopted and amended are not more stringent than federal regulation.
 8. **Whether the proposed regulation establishes a new fee or increases an existing fee.** The proposed regulations to be adopted and amended establish fees for application, licensing, audit, examination, investigation, CPA, which fees are required to be established by regulation pursuant to NRS chapter 604A.

Persons wishing to comment upon the proposed actions and order of the Division may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the attention of Steve Kondrup, Deputy Commissioner, at the Financial Institutions Division, 2785 E. Desert Inn Road, Suite 180, Las Vegas, Nevada 89121. Written submissions must be received by the Financial Institutions Division on or before October 14, 2005. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Financial Institutions Division may proceed immediately to act upon any written submissions.

Members of the public who are disabled and require special accommodations or assistance at the workshop must notify Steve Kondrup, Deputy Commissioner, at the Financial Institutions Division in writing at 2785 E. Desert Inn Road, Suite 180, Las Vegas, Nevada 89121, no later than 5 working days prior to the hearing.

A copy of this notice and the regulations to be adopted and amended will be on file at the following locations for inspection and review by members of the public during business hours:

Financial Institutions Division
2785 E. Desert Inn Road, Suite 180
Las Vegas, Nevada 89121

Financial Institutions Division
901 S. Stewart Street, 1003
Carson City, Nevada 89701

State Library
100 Stewart Street
Carson City, Nevada 89701

In addition, a copy of this notice and the proposed regulations to be adopted and amended will also be at the main public library in all counties in which an office of the agency is not maintained for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations and amendments are also available in the State of Nevada Registrar of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us> and <http://www.fid.state.nv.us>. Copies of this notice and the proposed regulations will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Attn: Public Posting
Churchill County Library
5553 S. Maine Street
Fallon, NV 89406

Attn: Public Posting
Tonopah Public Library
P.O. Box 449
Tonopah, NV 89049
(171 Central Street)

Attn: Public Posting
Las Vegas – Clark County Library
833 Las Vegas Blvd. N.
Las Vegas, NV 89101

Attn: Public Posting
Pershing County Library
P.O. Box 781; (1125 Central Avenue)
Lovelock, NV 89419

Attn: Public Posting
Elko County Library
720 Court Street
Elko, NV 89801

Attn: Public Posting
Storey County Library
P.O. Box 14; (95 South R Street)
Virginia City, NV 89449

Attn: Public Posting
Esmeralda County Library
P.O. Box 430; (Fourth & Crook Sts.)
Goldfield, NV 89316

Attn: Public Posting
Washoe County Library
P.O. Box 2151; (301 S. Center)
Reno, NV 89505

Attn: Public Posting
Eureka Branch Library
P.O. Box 293
Eureka, NV 89316

Attn: Public Posting
White Pine County Library
950 Campton St.
Ely, NV 89301

Attn: Public Posting
Humboldt County Library
85 East 5th St.
Winnemucca, NV 89445

Attn: Public Posting
Battle Mountain Branch Library (Lander County)
P.O. Box 141
Battle Mountain, NV 89820

Attn: Public Posting
93 Main St.
P.O. Box 330
Pioche, NV 89043

Attn: Public Posting
Carson City Library
900 N. Roop Street
Carson City, NV 89701

Attn: Public Posting
Lyon County Library
20 Nevin Way
Yerington, NV 89447

Attn: Public Posting
Douglas County Library
P.O. Box 337
Minden, NV 89423

Attn: Public Posting
Mineral County Library
P.O. Box 1390; (First & A Streets)
Hawthorne, NV 89415

Attn: Public Posting
Goldfield Public Library
P.O. Box 430
Goldfield, NV 89013

LCB File No. R150-05

**PROPOSED REGULATION OF THE
DIVISION OF FINANCIAL INSTITUTIONS OF
THE DEPARTMENT OF BUSINESS AND INDUSTRY**

**FINANCIAL INSTITUTIONS DIVISION
PROPOSED ADOPTION AND AMENDMENTS TO THE REGULATIONS OF
CHECK-CASHING SERVICES, DEFERRED DEPOSIT LOAN SERVICES,
SHORT-TERM LOAN SERVICES, AND TITLE LOAN SERVICES**

Explanation: Material in *bold italics* is new material; material lined out within ~~bold brackets~~ is material to be omitted.

Purpose: To adopt regulations under chapter 604A of the Nevada Administrative Code.

General Authority: Assembly Bill 384 (2005); Senate Bill 431 (2005); Assembly Bill 1 (2005 Special Session).

Agency Address:

Financial Institutions Division
2785 E. Desert Inn Road, Suite 180
Las Vegas, Nevada 89121

Agency Contact Persons:

Carol Tidd, Commissioner
ctidd@fid.state.nv.us
Steve Kondrup, Deputy Commissioner
skondrup@fid.state.nv.us
Telephone: (702) 486-4120
Facsimile: (702) 486-4563

Deputy Attorney General Providing Assistance to the Agency:

Mark J. Krueger, Senior Deputy Attorney General
mjkruerge@ag.state.nv.us
Telephone: (775) 684-1213
Facsimile: (775) 684-1108
100 N. Carson Street, Carson City, Nevada 89701

Section 1. Chapter 604A of the NAC is hereby amended by adding thereto the provisions set forth as sections 2 through 26.

Section 2. Definitions.

As used in this chapter, unless the context otherwise requires, the words and terms defined herein have the meanings ascribed to them as in chapter 604A of NRS.

The term “Division” means the Financial Institutions Division.

The term “Commissioner” means the Commissioner of the Division.

Section 3. Application for licensure.

An application for a license must, in addition to any other requirements provided by chapter 604A of NRS:

- 1. Be on a form prescribed by the Commissioner;*
- 2. Be verified;*
- 3. State the proposed location of the principal office and any branch offices;*
- 4. State the proposed name under which the applicant will conduct business;*
- 5. List the name, capacity, title, residential address and business address and phone number of each person having an interest in the business, including, without limitation, any principal, partner, officer, manager, trustee and director;*
- 6. Include, on a form provided by the division, a record of the personal history of each person having at least 25 percent ownership of the voting stock, partnership or member interest of the entity seeking registration;*
- 7. Include a financial statement of the applicant;*
- 8. Include the name designated of the manager or other person responsible for the operation of any office of the applicant;*
- 9. Include a statement of the intent of the applicant to provide one or more types of service pursuant to chapter 604A of NRS; and*

Section 4. Display of certificate.

A licensee shall prominently display each original license or original branch license in a conspicuous place in the location for which the license or branch license was issued. A licensee, or any person, shall not duplicate any license issued pursuant to chapter 604A of NRS.

Section 5. Commercial zoned location required; Residential location prohibited.

- 1. A licensee conducting the services described in chapter 604A of NRS, must:
 - (a) conduct said services from a business location that is zoned commercial, and*
 - (b) conduct said services pursuant to a valid business license.**
- 2. A licensee shall not conduct the services described in chapter 604A of NRS at or in a residential location.*

Section 6. Physical location required for conduct of service by the Internet

Any licensee conducting the services described in chapter 604A of NRS through the use of the Internet must also maintain a physical location approved by the Commissioner. The physical location approved by the Commissioner is not required to be open to the public

but is subject to audits, examinations or investigations by the Division at any time pursuant to chapter 604A of NRS.

Section 7. Grounds for suspension or revocation of or placement of conditions on a license.

- 1. In addition to the provisions of chapter 604A of NRS, the Division may:*
 - (a) Suspend, revoke or place conditions upon a license if the licensee:*
 - (1) Is insolvent or in such financial condition that he cannot continue his business and ensure the financial safety of his customers;*
 - (2) Is grossly negligent or incompetent in performing any act for which he is required to be licensed pursuant to chapter 604A of NRS;*
 - (3) Does not conduct his business in accordance with law;*
 - (4) Makes a material misrepresentation of fact or fails to disclose a material fact that he knew or should have known concerning a transaction governed by chapter 604A of NRS or this chapter;*
 - (5) Knowingly makes or causes to be made to the Division any false representation of material fact;*
 - (6) Suppresses or withholds from the Division any information that the licensee possesses, which, if submitted to the Division, would have rendered the licensee ineligible to be licensed pursuant to chapter 604A of NRS or this chapter;*
 - (7) Refuses to permit an examination of his books and affairs by the Division;*
 - (8) Refuses or fails within a reasonable time to provide the Division with any information that the Division requires pursuant to chapter 604A of NRS or this chapter;*
 - (9) Refuses or fails to pay within a reasonable time any fees assessed to licensees pursuant to chapter 604A of NRS or this chapter;*
 - (10) Fails to provide the surety bond or security in lieu of a surety bond as required by chapter 604A of NRS; or*
 - (11) Engages in any other conduct constituting a deceitful, fraudulent or dishonest business practice;*
- 2. Each day on which a person violates a provision of chapter 604A of NRS or this chapter is a separate violation.*

Section 8. Loan agreement written in Spanish.

- 1. A loan agreement used by a licensee conducting a transaction in Spanish pursuant to chapter 604A of NRS, must:*
 - (a). Be translated by a certified court interpreter as certified by the Nevada Supreme Court; and*
 - (b). Be accompanied by a certificate by the certified court interpreter identifying the document as:*
 - (1) The document translated by the certified court interpreter,*
 - (2) The date the document was translated, and*

- (3) A name, address, telephone number, and e-mail address if one exists, for the certified court interpreter.*
- 2. A licensee must maintain a copy of the contract in English with the contract as translated in Spanish.*
- 3. A licensee is responsible for the cost of any fees related to verification of the translated document by the Division during the course of or in connection with any audit, examination or investigation by the Division whether or not the audit, examination or investigation is related to the licensee.*

Section 9. Deferred deposit loans not supported by evidence of gross income; Violation presumed

- 1. A licensee shall maintain documentation that a deferred deposit loan does not exceed 25 percent of the expected monthly income of the customer when the loan is made.*
- 2. A licensee who does not provide the Division with the documentation required by section 1 is presumed to have violated chapter 604A of NRS.*

Section 10. Use of electronic signatures.

For purposes of chapter 604A of NRS (sec. 30(3)) a licensee may sign in accordance with the electronic signatures act (NRS 719 and 720).

Section 11. Loans to more than one customer; All branches included

For purposes of chapter 604A of NRS (sec. 34), a licensee includes the licensee and all branches of the licensee.

Section 12. Check as security includes possession of check

For purposes of chapter 604A of NRS (sec. 35(1)(c)), a check taken into the possession of the licensee in connection with a short-term or title loan is considered to be security for a short-term loan or title loan even if the check cannot or will not be negotiated.

Section 13. Receipt required to be kept by licensee

- 1. For purposes of chapter 604A of NRS (sec. 39(2)(b) and sec. 46), a licensee shall maintain a copy of the receipt or receipts required to be provided.*
- 2. Failure of a licensee to maintain a copy of the receipt or receipts required to be provided under chapter 604A of NRS is presumed to be a violation of section 1.*

Section 14. 30 day notice required before collection attempts can be commenced

For purposes of chapter 604A of NRS (sec. 42), a licensee must:

- 1. Provide written notice to the customer of an opportunity to enter into a repayment plan within 15 days of default by either:
 - (a) Certified mail with proof of return receipt, or**

(b) *Overnight delivery by common carrier with proof of return receipt.*

2. *The 30 day period for the customer to accept the offer to enter into a repayment plan does not commence until the date of receipt of the offer pursuant to section 1.*

Section 15. Fees for checks not paid upon presentment limited to actual costs incurred

For purposes of chapter 604A of NRS (sec. 45(1)), a licensee may impose a fee upon a customer for a check that is not paid upon presentment because the account of the customer contains insufficient funds or has been closed in an amount:

- (a) *Not to exceed the actual costs incurred by the licensee, and*
- (b) *Not more than \$25.*

Section 16. Maintenance of records by licensee.

A licensee shall maintain for a period of 3 years at an office in this state designated by the licensee a copy or the original of all records pertaining to each transaction with a customer that occurs in this state and such records must be made available to the Division immediately upon demand by the Division.

Section 17. Public inspection of records filed with commissioner.

Except as otherwise provided by law, all papers, documents, reports and other written instruments filed with the Division pursuant to chapter 604A of NRS and this chapter are open to public inspection, except that the commissioner may withhold from public inspection, for such time as he considers necessary, information that in his judgment is required to be withheld to protect the public welfare or the welfare of a licensee.

Section 18. Prohibited acts.

- 1. *A licensee or his employee shall not:*
 - (a) *Take any form of collateral as a condition for entering into a transaction with a customer.*
 - (b) *Require or accept a guarantor to a transaction entered into with a customer, except that the licensee may require, as a condition of providing a check-cashing service, that the customer provide a check guarantee card issued by a depository institution.*
 - (c) *Cash a check of the customer in any manner other than by providing the customer with cash or by issuing the customer a check from the licensee. If the licensee issues the customer his own check, the licensee shall draw the check on an insured account that is identified as belonging to the licensee and is maintained in a depository institution authorized to do business in this state. If a check that is issued by a licensee is not paid upon presentation because of insufficient funds, the licensee will be subject to disciplinary action provided for within this chapter.*

- (d) Use any device, subterfuge, pretense or deceptive means or representations to collect on a check.*
 - (e) Collect or attempt to collect any interest incidental to the check other than the fees disclosed pursuant to chapter 604A of NRS.*
 - (f) Operate his business from any location, address or post office box other than the location listed on his license.*
 - (g) Harass the employer of a customer in attempting to collect on a check.*
 - (h) Advertise for sale or threaten to advertise for sale any check as a means to enforce payment of the check, unless the licensee is acting pursuant to a court order.*
 - (i) Publish or post, or cause to be published or posted, a list of customers who have not paid on their checks, except that the licensee may publish or post such a list for the benefit of his stockholders or membership in relation to the internal affairs of the licensee.*
- 2. This section does not prohibit a licensee from selling his receivables or assigning past due receivables to a collection agent for collection.*

Section 19. Operation prohibited without compliance with certain requirements.

A foreign corporation, association or business trust shall not operate a check-cashing, deferred deposit loan service, short-term loan, or title loan service in this state unless the foreign corporation, association or business trust:

- 1. Qualifies to do business in this state pursuant to chapter 80 of NRS; and*
- 2. Is licensed pursuant to chapter 604A of NRS.*

Section 20. Advertising.

- 1. No licensee may advertise in any manner that may tend to confuse the identity of the licensee with any other unrelated licensee.*
- 2. No licensee may advertise in any manner that a loan of a prospective borrower with another licensee will be paid or increased if the loan is transferred to the advertising licensee.*
- 3. No licensee shall advertise in a manner that is unethical. The Commissioner reserves the right to require all licensees to submit proposed advertising for approval before its dissemination through the press, by radio or television.*

Section 21. Credit life insurance and credit health or disability insurance.

- 1. As used in this section, "credit insurance" means both credit life insurance and credit health or disability insurance.*
- 2. If a licensee provides, obtains or arranges any credit insurance as security for a loan, the premium or cost of such insurance to the borrower must not exceed the rate or rates established by the commissioner of insurance pursuant to the insurance laws. The insurance is subject to the laws and regulations of the division of insurance of the department of business and industry.*

3. *If a loan on which credit insurance has been obtained, arranged or provided by the licensee is prepaid in full, a refund of a portion of the insurance premium or cost must be made to the borrower, unless such prepayment in full was by death claim. If the insurance refund plus interest refund together amount to less than \$1, no refund need be made.*
4. *When a loan is prepaid in full by a death claim payment, the unearned portion of credit health or disability insurance premium must be refunded as of the date of death, but no refund may be made as to premiums paid for credit life insurance.*
5. *Only one party obligated on the loan may be covered by such credit insurance, and the premium or insurance cost may only be collected with respect to that party.*
6. *No statement, direct or implied, may be made to any borrower which would lead the borrower to believe that the granting of a loan was contingent upon his obtaining credit insurance as security for the loan.*
7. *Licensees shall post in each loan interview position a sign with the following language clearly printed in 3/8 inch print: "The purchase of credit life or accident and health insurance is not required as a condition for the granting of a loan."*
8. *If an insured borrower dies during the term of the loan contract, the credit life insurance must be sufficient at least to pay an amount which will discharge the loan completely at the date of death, without any exception, reservation or limitation.*
9. *If the premium or insurance cost is computed on the principal amount of loan and not also on interest and service fee contracted to be paid, the entire proceeds of any death claim to the extent provided in subsection 8 must be payable to the licensee.*
10. *If the premium or insurance cost is computed on the total original amount of the note (principal plus interest and service fee), the proceeds of any death claim must not be less than the greater of the following:
 - (a) *The unpaid balance of the face amount of the note, principal plus the combined interest and service fee, which under the contract is scheduled to be outstanding at the date of death (also referred to as the scheduled balance); or*
 - (b) *The actual unpaid amount of the loan, which is the unpaid balance of the face amount of the note less the required refund of interest and service fee, which refund must be computed as at the date of death (referred to as the net balance).**
11. *Whenever the amount of any death claim is in excess of the net balance due at the date of death, the excess must be paid by the licensee to the estate of the borrower, the surviving spouse or the next of kin and this must be an obligation of the licensee. Licensees also are required to see that insurance policies arranged in connection with loans provide for death claims to be paid in accordance with this section. The licensee's records must reflect accurately the amount of the death claim, the amount, if any, in excess of the net balance and the person to whom the excess was paid.*

Section 22. Requests for payment; ledger cards.

1. *Requests for payment must be made only to those obligated on the loan contract.*
2. *Collection attempts through written or printed communication, sent by mail, must be enclosed in a sealed envelope.*

3. *The ledger card must indicate when an account has been placed for collection or legal action taken. It must also indicate whether judgment was obtained, together with the date and the amount of the judgment.*
4. *On prepaid accounts, the ledger card must clearly indicate the amount rebated, both for interest and for insurance.*
5. *Adequate records which will enable the commissioner of financial institutions to reconcile outstanding balances must be maintained in each licensed office.*
6. *If there no longer is an outstanding indebtedness from the borrower to the licensee, there must be delivered to the borrower by the licensee a termination statement as required by the Uniform Commercial Code (chapter 104 of NRS). Such delivery is necessary even though the Uniform Commercial Code under such circumstances does not require delivery of a termination statement unless the borrower makes a written demand upon the secured party for a termination statement.*
7. *If ledger cards or similar records for loan accounts and installment sale contract accounts are commingled in a licensee's files, there must be a system by which such cards may be readily identified one from the other, such as being of different colors or having corners of different colors. All of such cards must bear the date of the contract and must identify the type of transaction reflected on them.*

Section 23. Fee for supervision and related activities: Amount; collection; failure to pay.

1. *The Division will charge and collect a fee of \$60 per hour from each licensee for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 604A of NRS.*
2. *The Division will bill each licensee upon the completion of the activity for the fee established in subsection 1. The fee must be paid within 30 days after the date the bill 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. *Failure of a licensee to pay the fee required by subsection 1 as provided in this section constitutes grounds for revocation of its license.*
4. *The Division shall not renew a licensee's license if a licensee fails to pay the fee required by subsection 1 by the date for renewal of his license and*
 - (a) *The licensee is considered to be not licensed at the date for renewal.*

Section 24. Fee for the assessment for costs related to audits and examination to read as follows:

1. *Each licensee shall pay to the Division an annual assessment in an amount calculated in accordance with NAC 658.030 to cover the costs related to the employment of a certified public accountant and the performance, review or conduct of audits and examinations conducted by the Division.*
2. *The Division shall bill each licensee for the assessment. The assessment must be paid within 30 calendar days after the date the bill is received.*

3. *A charge of 10 percent of the assessment will be imposed on any licensee whose assessment is received by the Division after the date on which the assessment is due. The commissioner may waive the penalty for good cause.*
4. *Failure of a licensee to pay the fee required by subsection 1 as provided in this section constitutes grounds for revocation of its license.*
5. *The Division shall not renew a licensee's license if a licensee fails to pay the assessment required by subsection 1 by the date for renewal of his license and*
 - (a) *The licensee is considered to be not licensed at the date for renewal.*

Section 25. Fees for application and renewal

1. *The fee for an application for a license to conduct the services under chapter 604A of NRS is \$375.*
2. *The fee for an application for a branch license to conduct the services under chapter 604A of NRS is \$75.*
3. *The fee for the annual renewal for each license to conduct the services under chapter 604A of NRS is \$375.*
4. *The fee for the annual renewal of each branch license to conduct the services under chapter 604A of NRS is \$75.*

Section 26. Notice to customers; Form

1. *The notice form posted by each licensee pursuant to chapter 604A of NRS (sec. 30(1)) must be in substantially the following form and may include fees for only those services the licensee provides:*

- *(At least 18-point bold type)*
- ***NOTICE OF FEES CHARGED FOR SERVICES***
- *(At least 16-point type)*
- *Check-cashing fees: \$____.*
- *Deferred deposit loan fees: \$____.*
- *Short-term loan fees: \$____.*
- *Title loan fees: \$____.*
- *(At least 18-point bold type)*
-
- ***NOTICE OF RIGHT TO CONTACT THE DIVISION OF FINANCIAL INSTITUTIONS REGARDING CONCERNS OR COMPLAINTS***
- *(At least 16-point bold type)*
-
- *You are entitled to contact the Division of Financial Institutions regarding concerns or complaints of the service provider with whom you are dealing with by calling the following number toll free in Nevada: (At least 18-point bold type) 1-866-858-8951.*