

**PROPOSED REGULATION OF
THE DIVISION OF MORTGAGE LENDING OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

LCB File No. R123-08

May 27, 2008

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

AUTHORITY: §§1 and 2, NRS 645B.021.

A REGULATION relating to mortgage lending; revising the definition of “qualified employee”; establishing qualifications for qualified employees of mortgage brokers; and providing other matters properly relating thereto.

Section 1. NAC 645B.008 is hereby amended to read as follows:

645B.008 “Qualified employee” means ~~[-~~

~~—1. A director, officer, member, employee, manager or trustee of a partnership, corporation or limited liability company designated by the partnership, corporation or limited liability company pursuant to NAC 645B.055 to act on the behalf of the partnership, corporation or limited liability company; or~~

~~—2. A person designated by a sole proprietorship who satisfies the requirements set forth in subsection 3 of NRS 645B.020 and NAC 645B.010 and 645B.055.]~~ *a natural person who is designated by a mortgage broker to act on behalf of the mortgage broker and who is approved by the Commissioner pursuant to NAC 645B.055.*

Sec. 2. NAC 645B.055 is hereby amended to read as follows:

645B.055 1. Every ~~[partnership, corporation or limited liability company]~~ *person, other than a natural person,* doing business as a mortgage broker in this State shall designate a

natural person as a qualified employee who may, upon approval of the Commissioner, act on behalf of the ~~[partnership, corporation or limited liability company.]~~ *mortgage broker.*

2. The Commissioner will approve the qualified employee designated pursuant to subsection 1 if the qualified employee ~~[meets the requirements of an applicant for a license as a mortgage broker pursuant to chapter 645B of NRS.]~~ *is a natural person who:*

(a) Is licensed in good standing as a mortgage broker or mortgage agent;

(b) Is designated by a mortgage broker to act on behalf of the mortgage broker and to supervise the conduct of the business of the mortgage broker and the mortgage agents associated with or employed by the mortgage broker;

(c) Will be present at the licensed office location for which he is the qualified employee the majority of the time that the office is open to the public; and

(d) Is a resident of the State or a border state employee.

3. *The provisions of paragraph (a) of subsection 2 do not prohibit a natural person who was a qualified employee for a mortgage broker on June 30, 2008, from continuing to be a qualified employee for that mortgage broker after that date. If a natural person who was a qualified employee for a mortgage broker on June 30, 2008, is designated as a qualified employee for another mortgage broker, the Commissioner will approve the qualified employee only if the qualified employee satisfies the requirements of subsection 2.*

4. The approval issued by the Commissioner entitles the qualified employee to act pursuant to the terms and conditions of the license issued to the ~~[partnership, corporation or limited liability company.]~~ *mortgage broker* by the Commissioner pursuant to chapter 645B of NRS, but only as a qualified employee of the ~~[partnership, corporation or limited liability company,]~~ *mortgage broker*, and not on his own behalf.

~~[4.]~~ 5. If the qualified employee designated pursuant to subsection 1 is not approved by the Commissioner pursuant to subsection 2 or ceases to be a qualified employee as defined in NAC 645B.008, the ~~[partnership, corporation or limited liability company]~~ *mortgage broker* shall designate another qualified employee pursuant to subsection 1 not later than:

(a) Thirty calendar days after the date that:

(1) The Commissioner notifies the ~~[partnership, corporation or limited liability company]~~ *mortgage broker* that the initial qualified employee designated pursuant to subsection 1 is not approved; or

(2) The qualified employee ceases to be a qualified employee as defined in NAC 645B.008; or

(b) A date after the date described in paragraph (a) if agreed to by the Commissioner.

6. *As used in this section, “border state employee” has the meaning ascribed to it in NRS 482.012.*