

## LCB File No. R093-09

### PROPOSED REGULATION OF THE COMMISSIONER OF MORTGAGE LENDING

(This regulation was previously adopted as T002-09)

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

AUTHORITY: §§1-3 and 7-23, NRS 645B.0137, 645B.0138, 645B.051 and 645B.430; §§4 and 5, NRS 645B.0137; §§6 and 24, NRS 645B.0138, 645B.051 and 645B.430.

A REGULATION relating to licensing; providing course requirements for licensure of mortgage brokers and mortgage agents; establishing qualifications of providers of such courses; establishing qualifications of instructors of such courses; providing course standards; and providing other matters properly relating thereto.

**Section 1.** Chapter 645B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 21, inclusive, of this regulation.

**Sec. 2.** *As used in NAC 645B.360 and sections 2 to 22, inclusive, of this regulation:*

1. *“Approved course” means a course of education that has been certified by an organization listed in NAC 645B.360 and has been approved by the Division as a course for initial licensing or continuing education.*
2. *“Hour of instruction” means 50 minutes of instruction or more.*
3. *“Provider” includes:*
  - (a) *Any university or community college which is a part of the Nevada System of Higher Education, or any other university or college bearing the same or an equivalent accreditation.*
  - (b) *Any professional school or college licensed by the Commission on Postsecondary Education.*
  - (c) *Any out-of-state mortgage lending regulator or professional school or college licensed or accredited by a department of education or an equivalent agency of any other state.*
  - (d) *Any organization listed in NAC 645B.360.*
  - (e) *Any professional school that meets the requirements relating to course content and relevance to the industry as set forth by any of the organizations listed in NAC 645B.360.*
  - (f) *Any person or entity approved by the Division.*

**Sec. 3.** *The following subjects are approved as course material for initial licensing and continuing education:*

1. *Federal laws and regulations relating to mortgage lending, including subprime lending and other non-traditional mortgage products.*
2. *The provisions of:*
  - (a) *Chapter 598D of NRS governing unfair lending practices;*
  - (b) *Chapter 645A of NRS governing escrow agencies and agents;*

*(c) This chapter and chapter 645B of NRS governing mortgage brokers and mortgage agents;*

*(d) Chapter 645F of NRS governing mortgage lending and related professions; and*

*(e) Chapter 107 of NRS governing deeds of trust.*

*3. Mortgage industry practices and information, including ethics.*

*4. Any other subject approved by the Division.*

**Sec. 4.** *1. An applicant for an initial license as a mortgage broker or mortgage agent must complete at least 30 hours of instruction from the subjects set forth in section 3 of this regulation. An applicant must complete a minimum of 15 of the 30 hours of required instruction from live, classroom instruction.*

*2. The 30 hours of instruction required pursuant to subsection 1 must include:*

*(a) Four hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues;*

*(b) Twelve hours of federal law and regulations relating to mortgage lending including two hours of training related to subprime lending and other non-traditional mortgage products;*

*(c) Four hours of Nevada law and regulations relating to mortgage lending; and*

*(d) Ten hours of electives.*

*3. In addition to the requirements set forth in subsections 1 and 2, an applicant for an initial license as a mortgage broker or mortgage agent who is designated as a qualified employee pursuant to NAC 645B.055 must complete, as an elective, at least 4 hours of instruction relating to office policy and procedure, risk management, errors and omissions, affiliated business arrangements, labor relations, general management principles, loan prequalification and loan processing.*

*4. An applicant for an initial license as a mortgage agent or mortgage broker must provide to the Division one or more certificates of completion, in a form satisfactory to the Division, indicating that the applicant has successfully completed the 30 hours of instruction required pursuant to this section. Certificates issued for all such courses must bear the name of the certifying organization.*

*5. An applicant who lives in a rural area may, with the prior written approval of the Division, take courses required by this section as an interactive, correspondence, distance or televideo course that involves interaction with the instructor and other students.*

*6. As used in this section, "rural area" means a city or town whose population is less than 60,000 and is located more than 60 miles from a city or town whose population is 60,000 or more.*

**Sec. 5.** *1. An applicant for an initial license as a mortgage broker or mortgage agent must take an examination in addition to completing the 30 hours of instruction required by section 4 of this regulation.*

*2. The applicant must pass the examination which is prepared and administered by an organization designated by the Division, with a score of at least 75 percent. The examination must:*

*(a) Include the subjects required pursuant to section 3 of this regulation;*

*(b) Consist of at least 100 multiple-choice questions;*

*(c) Not exceed 4 hours in length; and*

*(d) Be approved in advance by the Division.*

*3. The Division, through its designated vendor, will designate a date, time and place for an examination to be held at least once every 2 months. An applicant who takes an examination pursuant to this section may not retain any of the examination materials.*

**Sec. 6.** *1. A licensee must complete at least 10 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires. A course of continuing education must focus on the practical application of mortgage lending transactions and except as provided in subsection 4 may not repeat the course content taken in the same license renewal period or the immediately preceding license renewal period.*

*2. Of the 10 hours of certified courses of continuing education required pursuant to subsection 1, a licensee must complete:*

*(a) Two hours of professional ethics at least biennially, which shall include instruction on fraud, consumer protection and fair lending issues;*

*(b) Two hours of training related to subprime lending and other non-traditional mortgage products, commercial lending or private investor loans;*

*(c) Three hours of federal law and regulations; and*

*(d) Two hours of Nevada law and regulations relating to mortgage lending.*

*3. Except as provided in subsection 4, a licensee may not take the same approved course in the same or successive year to meet the annual requirements for continuing education.*

*4. A licensee may take the same approved course in a successive year if the course material has been updated from the prior year.*

**Sec. 7.** *1. Except as otherwise provided in NAC 645B.360, a provider that wishes to offer courses to meet the educational requirements for licensure or continuing education under chapter 645B of NRS must apply to the Commissioner prior to offering any approved courses and annually thereafter on or before December 31 for approval on a form prescribed by the Division. The application must include, without limitation:*

*(a) The name and address of the provider;*

*(b) The type of provider and a description of its facilities;*

*(c) Any information requested by the Division concerning the ownership of the provider, including the business organization and the names and addresses of all directors, principals, officers and others having interests as owners;*

*(d) A list of the instructors;*

*(e) A list of the courses to be offered and a hard copy of the course materials for each;*

*(f) The allotment of time for each subject;*

*(g) A tentative schedule of courses;*

*(h) The titles, authors and publishers of all required textbooks;*

*(i) A copy of each examination to be used and the correct answer for each question;*

*(j) A statement of:*

*(1) The purpose of the provider;*

*(2) The fees to be charged;*

*(3) The days, times and locations of classes;*

*(4) The number of quizzes and examinations;*

*(5) The grading systems, including the methods of testing and standards of grading;*

*(6) The requirements for attendance; and*

*(7) The location of the students' records.*

*(k) A statement as to whether the provider or any instructor employed by the provider has been disciplined by any governmental agency in this State or any other state; and*

*(l) A statement that education courses will not be provided free of charge as an inducement for students or their employers to utilize the services of the provider for any mortgage-related activities.*

*2. The Commissioner may waive the requirements of this section for courses offered by or through a federal or state governmental agency.*

**Sec. 8.** *1. A provider must submit an application for the approval of each course the provider intends to offer on a form provided by the Division and include with the submission all applicable information prescribed in section 7 of this regulation.*

*2. The Commissioner will not grant retroactive approval of a course.*

*3. If a course offered by a provider that is a professional organization has been approved for continuing education, the provider shall not restrict attendance at the course to only members of that organization.*

*4. Any advertising, promotional brochure or form for registration for an approved course must contain, in writing, the policy of the provider concerning cancellations and refunds.*

*5. If the application of the provider for a course is denied, the provider may appeal the decision of the Commissioner to deny approval of the provider's course by filing an appeal with the Division not later than 20 days after the date on which the denial of the approval of the provider's course becomes effective, and the provider will have a right to a hearing.*

*6. The Division has the right to be awarded and recover costs and attorney's fees from the provider related to a hearing in which the hearing officer affirms the denial of approval of a course.*

**Sec. 9.** *1. A provider approved by the Commissioner to offer courses to meet requirements for licensure or continuing education under chapter 645B of NRS shall:*

*a. Maintain a record of each student's attendance and certification in any of those courses for 4 years after his enrollment and shall have such records open to inspection by the Division, upon its request, during the provider's business hours.*

*b. At least quarterly, provide a tentative schedule of the courses to be offered by the provider to the Division.*

*2. A provider that is licensed to operate by the Commission on Postsecondary Education shall provide evidence of such licensure to the Division.*

**Sec. 10.** *1. Within 15 days after the occurrence of any material change in the information provided by the provider in its application pursuant to section 7 of this regulation which would affect its approval by the Commissioner, the provider shall give the Division written notice of that change.*

*2. To qualify for annual renewal of approval by the Commissioner, a provider must submit to the Commissioner before December 31, 2009, and annually thereafter:*

*(a) A written certification, in a form prescribed by the Division, declaring that the provider has met all applicable requirements of this chapter and chapter 645B of NRS; and*

*(b) A sworn statement, in a form prescribed by the Division, declaring that the information contained in the original application is current or, if it is not current, a list of all material changes.*

**Sec. 11.** *1. If the Division determines, whether pursuant to an audit or investigation or otherwise, that an approved course does not meet the standards for such a course set forth in this chapter or chapter 645B of NRS, the Division shall notify the provider of its intent to withdraw approval of the course. The notice must include the specific reasons upon which the Division is basing its decision to withdraw approval of the course. Not later than 30 days after the date on which the provider receives the notice, the provider may provide a written response to the Division that clearly sets forth the reasons why approval of the course should not be withdrawn and outlining any corrective measures that the provider will undertake. After the 30-day period has elapsed, the Division shall review the notice and any response submitted by the provider and:*

*(a) Withdraw approval of the course;*

*(b) Allow the course to remain approved if certain specific enumerated conditions are met; or*

*(c) Allow the continued approval of the course.*

*If the Division decides to withdraw approval of the course, the withdrawal of approval of the course becomes effective upon the mailing of the Division's decision to withdraw approval to the provider by certified mail, return receipt requested, to the provider's last known business address.*

*2. If the Division withdraws approval of a course, the Division shall give credit to a student for completing the course if the student began the course before the provider received written notice of the withdrawal of approval of the course.*

*3. The provider may appeal the decision of the Division to withdraw approval of a course by filing an appeal with the Commissioner not later than 30 days after the date on which the withdrawal of the approval of the course becomes effective, and the provider will have the right to a hearing.*

*4. If the provider files a timely appeal, the Commissioner will, as soon as practicable, hold a hearing concerning the withdrawal of approval of the course and will:*

*(a) Affirm the decision of the Division to withdraw approval of the course;*

*(b) Suspend approval of the course for a limited period and under such conditions as the Commissioner deems appropriate; or*

*(c) Reverse the decision of the Division to withdraw approval of the course.*

**Sec. 12.** *A provider approved by the Commissioner shall not make any misrepresentation in its advertising about any course of instruction which it offers to fulfill requirements for licensing or continuing education under this chapter or chapter 645B of NRS.*

**Sec. 13.** *A provider that conducts courses approved by the Commissioner:*

*1. May employ as instructors of those courses only persons who meet the qualifications set forth in section 14 of this regulation.*

*2. Shall limit guest lecturers who are experts in the related fields, excluding Division personnel, to 25 percent of the total instructional hours per approved course.*

3. Shall include a statement that the provider is approved by the Commissioner on all advertisements of the provider.

4. Shall require each student to attend the entire course as a condition of receiving certification for the course.

5. Shall certify the completion of only the number of hours for which the course has been approved by the Commissioner. A portion of a course does not satisfy the requirements for certification.

6. Shall update its course materials at least annually to reflect changes in the law and the marketplace.

7. Shall not allow a student to pass a course by taking an examination without having the required attendance. In addition, an owner, instructor, affiliate or other person associated with the provider may not take an examination conducted by the provider to meet the requirements for licensing or continuing education under this chapter and chapter 645B of NRS.

8. Shall admit authorized personnel of the Division or its designee to audit and evaluate the presentation of the course without prior notice by the Division or cost to the Division.

9. Shall not present a course for the main purpose of selling products or services and shall limit the announcement of products or services during the course to not more than 1 minute for each credit hour.

10. Shall, if a course is 5 hours or more in duration, require each student to pass an examination consisting of at least 5 multiple-choice questions per instructional hour.

11. Shall not allow a student to pass an examination without the student having achieved a passing score of 75 percent or better.

12. Shall not provide, distribute, disseminate or otherwise make available to students the answers to examination questions.

13. Shall not advertise or promote products or services of affiliated or unaffiliated persons.

**Sec. 14.** 1. An instructor must have written approval from the Division before teaching an approved course.

2. An applicant for approval as an instructor must apply on a form prescribed by the Division.

3. The Division shall not approve a person as an instructor if the person:

(a) Has been disciplined by the Division:

(1) Within the immediately preceding 5 years; or

(2) More than one time; or

(b) Has been determined in an administrative or judicial proceeding to have violated any statute, rule, regulation or order pertaining to mortgage lending or real estate in this State or any other state.

4. A person may be approved as an instructor to teach an approved course relating to his principal occupation if:

(a) He has:

(1) A bachelor's degree or a more advanced degree, plus at least 2 years of full-time experience in the field in which he will be providing instruction;

(2) Teaching experience of at least 75 hours in the field in which he will be providing instruction within the 3 years immediately preceding the date of his application for approval plus at least 3 years of full-time experience in that field;

*(3) At least 6 years of full-time experience in the field in which he will be providing instruction; or*

*(4) Any combination of at least 6 years of college-level course work and full-time experience in the field in which he will be providing instruction;*

*(b) He has a good reputation for honesty, integrity and trustworthiness; and*

*(c) He submits to the Division satisfactory documentation of his qualifications and a resume outlining his experience, education and teaching experience in the field in which he will be providing instruction.*

*5. If the Division denies an application for approval as an instructor, the instructor applicant may appeal the decision of the Division by filing an appeal with the Commissioner not later than 30 days after the date on which the instructor applicant received notification of the denial of his application for approval as an instructor.*

*6. If the instructor applicant files a timely appeal, the Commissioner will, as soon as practicable, hold a hearing concerning the denial of the application for approval as an instructor and will:*

*(a) Affirm the decision of the Division to deny the application for approval as an instructor;*

*(b) Approve the instructor for a limited period and under such conditions as the Commissioner deems appropriate; or*

*(c) Reverse the decision of the Division to deny the application for approval as an instructor.*

*7. The Division shall periodically review and evaluate each approved instructor.*

*8. An approved instructor who is also a licensee may receive credit for the instructor's own annual continuing education requirement at the rate of two hours of credit for every one hour taught.*

**Sec. 15.** *1. The Division may withdraw the approval of an instructor who:*

*(a) Does an inadequate job of teaching the subject matter of a course as evidenced by student evaluations or an audit or investigation conducted by the Division;*

*(b) Has been determined in any administrative or judicial proceeding to have violated any statute, rule, regulation or order pertaining to mortgage lending or real estate in this State or any other state;*

*(c) Has been convicted of, or entered a plea of guilty or nolo contendere to, any crime involving fraud, deceit, misrepresentation or moral turpitude;*

*(d) Engages in inappropriate behavior in the classroom as evidenced by an audit or investigation conducted by the Division; or*

*(e) Advertises or promotes the products or services of affiliated or unaffiliated persons.*

*2. Before withdrawing approval of the instructor of a course, the Division must notify the provider and instructor of its intent to withdraw approval of the instructor. The notice must include the specific reasons upon which the Division is basing its decision to withdraw the approval of the instructor. Not later than 30 days after the date on which the provider or instructor receives the notice, the provider or instructor may provide a written response to the Division which clearly sets forth the reasons why the approval of the instructor should not be withdrawn and which outlines any corrective measures that the provider or instructor will undertake. After the 30-day period has elapsed, the Division shall review the notice and any response submitted by the provider or instructor and shall:*

- (a) Withdraw approval of the instructor;*
- (b) Allow the instructor to remain approved if certain specific enumerated conditions are met; or*
- (c) Allow the continued approval of the instructor.*

*If the Division decides to withdraw approval of the instructor, the withdrawal of approval of the instructor becomes effective upon the mailing of the Division's decision to the provider of the course taught by the instructor and the instructor, by certified mail, return receipt requested, to the provider's and instructor's last known business address.*

*3. If the Division withdraws approval of an instructor, the Division shall give credit to a student for completing the course if the student began the course before the provider received written notice of the withdrawal of approval of the instructor.*

*4. The provider or instructor may appeal the decision of the Division to withdraw approval of an instructor by filing an appeal with the Commissioner not later than 20 days after the date on which the withdrawal of the approval of the instructor becomes effective, and the provider or instructor will have a right to a hearing.*

*5. The Division has the right to be awarded and recover costs and attorney's fees from the provider related to a hearing in which the hearing officer affirms the withdrawal of approval of an instructor.*

*6. If the provider or instructor files a timely appeal, the Commissioner will, as soon as practicable, hold a hearing concerning the withdrawal of approval of the instructor and will:*

- (a) Affirm the decision of the Division to withdraw approval of the instructor;*
- (b) Suspend approval of the instructor for a limited period and under such conditions as the Commissioner deems appropriate; or*
- (c) Reverse the decision of the Division to withdraw approval of the instructor.*

**Sec. 16. 1. An instructor shall ensure that:**

*(a) Class sessions are commenced in a timely manner and are conducted for the full amount of time that is approved; and*

*(b) Each course is taught according to the course plan and instructor guide that was approved by the Commissioner, including the furnishing to students of appropriate student materials.*

**2. An instructor shall conduct himself in a professional and courteous manner when performing his instructional duties and shall conduct classes in a manner that demonstrates the following basic teaching skills:**

*(a) The ability to present instruction in a thorough, accurate, logical, orderly and understandable manner, to utilize illustrative examples as appropriate and to respond appropriately to questions from students;*

*(b) The ability effectively to utilize varied instructional techniques in addition to lectures, including, without limitation, class discussion, role-playing and other techniques;*

*(c) The ability to utilize varied instructional aids effectively to enhance learning;*

*(d) The ability to maintain an appropriate learning environment and effective control of a class; and*

*(e) The ability to interact with adult students in a positive manner that:*

*(1) Encourages students to learn;*

*(2) Demonstrates an understanding of varied student backgrounds;*

*(3) Avoids offending the sensibilities of students; and*



*(4) Avoids personal criticism of any other person, agency or organization.*

**Sec. 17. 1. A course must:**

- (a) Be approved annually by the Division;*
- (b) Be certified annually by an organization listed in NAC 645B.360; and*
- (c) Relate to mortgage lending or mortgage lending transactions.*

*2. None of the following kinds of courses or activities will be accepted from a student as fulfillment of the education required for licensing or continuing education:*

*(a) Courses designed to develop or improve clerical, office or business skills that are not related to the activities described in chapter 645B of NRS, such as typing, shorthand, operation of business machines, the use of computers or computer software, improvement of memory, or writing of letters and reports;*

*(b) Business courses in advertising or psychology;*

*(c) Courses designed to motivate an individual or to develop the self-image of an individual;*

*(d) A course for the development of instructors; or*

*(e) A meeting for the promotion of sales, a program of office training or other activity which is held as part of the general business of a mortgage broker or mortgage agent.*

*3. The Division will not approve more than 7 full hours of credit per day of instruction. Of the 7 hours, the Division will approve a maximum of one full hour of credit for a student to complete an examination required pursuant to section 13.*

**Sec. 18. 1. A provider must apply annually for renewal of approval of a course on a form provided by the Division. An application for renewal must be submitted to the Division at least 5 weeks before the previous approval expires. If the provider does not timely submit the application for renewal, the provider must apply for an original approval as provided in section 7.**

*2. Each approved course and instructor is subject to review and audit by the Division. If the Division conducts such a review or audit, the provider shall make available to the Division all records requested which are necessary to the review.*

*3. The Division shall renew the approval of a course if the information concerning the course has been updated and there is no material change in the content of the course.*

*4. Each of the following acts and conditions is a ground for the Commissioner to withdraw or refuse to renew the approval of a course:*

*(a) The curriculum or instruction, as shown by evaluations or audits, is of poor quality.*

*(b) The violation of any provision of this chapter relating to initial licensing or continuing education.*

*(c) The course is not taught within the last period for which the course is approved.*

*(d) The provider has made a false statement or has presented false information in connection with an application for the approval of the course, the renewal of such approval or the approval of the provider.*

*(e) The provider or any official or instructor employed by the provider has refused or failed to comply with any provision of this chapter or chapter 645B of NRS, or has engaged in any conduct constituting a deceitful, fraudulent or dishonest business practice.*

*(f) The provider or any official or instructor employed by the provider has provided false or incorrect information in connection with any report the provider is required to submit to the Commissioner.*

(g) *The provider has engaged in a pattern of consistently cancelling scheduled courses.*  
(h) *An instructor employed by the provider of an approved course fails to conduct approved courses in a manner that demonstrates possession of the teaching skills described in this chapter.*

(i) *A court of competent jurisdiction has found the provider of the approved course or any official or instructor employed by the provider to have violated, in connection with the offering of courses, any applicable federal or state law or regulation:*

*(1) Prohibiting discrimination on the basis of disability;*

*(2) Requiring places of public accommodation to be in compliance with prescribed standards relating to accessibility; or*

*(3) Requiring that courses related to licensing or certification for professional or trade purposes be offered in a place and manner accessible to persons with disabilities.*

(j) *The provider or any official or instructor employed by the provider has been disciplined by the Commissioner or any other occupational licensing agency in this State or any other jurisdiction.*

(k) *The provider or any official or instructor employed by the provider has collected money for a course but has refused or failed to provide the promised instruction or has failed to provide a refund when due.*

(l) *The provider or any official or instructor employed by the provider has advertised or promoted the products or services of an affiliated or unaffiliated person.*

5. *A licensee who is the provider of an approved course is subject to disciplinary action pursuant to this chapter for any dishonest, fraudulent or improper conduct by the licensee, or an instructor of the approved course employed by the licensee, in connection with activities related to the approved course.*

**Sec. 19.** *1. A provider seeking approval of a computer-based distance education course must demonstrate to the satisfaction of the Commissioner that the proposed computer-based distance education course satisfies the following requirements:*

(a) *The course must be designed to ensure that students actively participate in the instructional process by utilizing techniques which require substantial interaction with the instructor, other students or a computer program. If the subject matter of the course is such that the learning objectives for the course cannot be reasonably accomplished without direct interaction between the instructor and the students, the course design must provide for such interaction, which may include items such as frequent quizzes or other forms of computer interaction.*

(b) *If the course does not provide students with the opportunity for continuous audio and visual communication with the instructor during the presentation of the course, the course must utilize testing and remedial processes appropriate to ensure mastery of the subject matter of the course by the students.*

(c) *If the course involves self-paced study, the course must be designed so that the time required for a student of average ability to complete the course is within the number of hours for which the course is approved, and the provider shall utilize a system which ensures that students have actually performed all tasks designed to ensure participation and mastery of the subject matter of the course by the students.*

(d) *The proposed methods of instruction used in the course must be appropriate to the proposed learning objectives of the course, and the scope and depth of the instructional materials must be consistent with the proposed learning objectives.*

*(e) The provider shall provide appropriate technical support to enable students to complete the course satisfactorily.*

*(f) An approved instructor must be reasonably available to respond within 2 business days to questions asked by students concerning the subject matter of the course and to direct students to additional sources of information.*

*(g) The provider shall provide students with an orientation or information package which contains all information that the Division requires to be provided to students and all necessary information about the course, including, without limitation, information concerning fees and refund policies, subject matter and learning objectives, procedures and requirements for satisfactory completion, any special requirements with regard to computer hardware and software or other equipment, and instructor and technical support. The provider shall make available to students technical support relating to the use of any computer hardware or software, or other equipment or technology needed to complete the course.*

*(h) The provider shall utilize procedures which reasonably ensure that a student who receives credit for completing the course actually performed all the work required to complete the course. Upon request by the Division, the provider shall submit evidence of the means used to identify each student and the means to ensure that each student actually performed the work required to complete the course. If the course involves independent or self-paced study by students, such procedures must include, without limitation, the opportunity for direct contact by the provider with the student at the student's home or business via the telephone or electronic mail and a signed statement by the student certifying that he personally completed all course work. The provider shall retain such signed statements and records of student contact together with all other course records the provider must maintain.*

*2. A provider seeking approval of a computer-based distance education course must submit a complete copy of the course to the Division in the medium to be used and, if requested, must make available, at a date and time satisfactory to the Division and at the provider's expense, all equipment and software necessary to enable the Division to review the course. In the case of an Internet-based course, the provider shall provide the Division with access to the course via the Internet at no charge at a date and time satisfactory to the Division.*

*3. In determining whether to approve a distance education course pursuant to this section, the Commissioner may consider:*

*(a) The duration of the course;*

*(b) Whether students are required to complete a written examination proctored by a person acceptable to the Division or by using a secure electronic method acceptable to the Division; and*

*(c) Whether the course is presented by an accredited university or college that offers distance education in other disciplines, or whether the course is certified by an organization listed in NAC 645B.360. For the purposes of this paragraph, an organization must use the following considerations when making its determination on whether to accredit a distance education course:*

*(1) The mission statement of the provider;*

*(2) The minimum design of the course and the procedures for updating the course;*

*(3) The interactivity of the instruction with the students;*

*(4) Whether the instruction provided in the course teaches mastery of the course material;*

*(5) The support services that are available to students;*

- (6) The medium through which the course is delivered to students;*
- (7) A time study of the range of instructional hours for which a course should be approved or accredited;*
- (8) For each course of instruction, whether there is:
  - (I) At least one learning objective for the course;*
  - (II) A structured learning method to enable the student to achieve each such learning objective;*
  - (III) A method of assessment of the student's performance during the course;**
- and*
- (IV) A method of remediation pursuant to which a student who, based on the assessment of his performance, has been determined to be deficient in his mastery of the course material may repeat the course until the student understands the course material; and*
- (9) Whether a complete syllabus or student manual, or both, for all courses or programs is provided in written form and includes accurate and clearly stated information about admissions, progression, completion, criteria, dismissal and any applicable licensing requirements.*

**Sec. 20.** *1. To receive a certificate of completion for an approved course, a student must:*

- (a) Direct his attention to the instruction being provided and refrain from engaging in activities unrelated to the instruction;*
- (b) Refrain from engaging in activities which are distracting to other students or the instructor, or which otherwise disrupt the orderly conduct of a class, including, without limitation, the use of text messages, voice pagers, beepers and telephones; and*
- (c) Not be absent from the classroom for more than 18 minutes per every 3 hours of instruction, not including break periods.*

*2. If an instructor denies the award of a certificate of completion to a student who fails to satisfy the conditions set forth in subsection 1, the student may, within 30 days after that denial, file a written request with the Division to review the matter. If the written request contains allegations which, if true, would qualify the applicant to receive a certificate of completion, the Division shall set the matter for an informal hearing to be conducted as soon as practicable.*

**Sec. 21.** *1. Each approved course and each instructor of an approved course must be evaluated by students on a form prescribed by the Division and provided by the provider during every course offering.*

*2. The provider shall:*

- (a) Arrange for the collection of the completed evaluations by a person other than the instructor of the approved course; and*
- (b) Mail or deliver copies of the completed evaluations to the Division within 10 working days after the last day of class for the course.*

*3. In addition, the provider shall provide the student a certificate of completion, in a form satisfactory to the Division, indicating that the student has successfully completed the applicable number of hours of instruction which may be used to satisfy the requirements of sections 4 and 6 of this regulation.*

**Sec. 22.** NAC 645B.360 is hereby amended to read as follows:

645B.360 **1.** The Commissioner hereby designates the following organizations to certify courses ~~[of continuing education]~~ for the purposes of NRS **645B.0137**, 645B.051 and 645B.430:

~~[1.]~~ (a) *The Mortgage Bankers Association;*

~~[2.]~~ (b) *The Mortgage Bankers Association of Nevada;*

~~[3.]~~ (c) *The National Association of Professional Mortgage Women or any approved Nevada chapter of this organization;*

~~[4.]~~ (d) *The Nevada Association of Mortgage ~~[Brokers:] Professionals;~~*

~~[5.]~~ (e) *The Real Estate Division of the Department of Business and Industry; ~~and~~*

~~[6.]~~ (f) *The Nevada System of Higher Education ~~[.];~~*

*(g) The Federal National Mortgage Association, its successors and/or assigns;*

*(h) The Federal Home Loan Mortgage Corp., its successors and/or assigns;*

*(i) The Department of Housing and Urban Development ;*

*(j) The Lied Institute for Real Estate Studies;*

*(k) The National Association of Mortgage Brokers;*

*(l) The Registry as defined in NRS 645B; and*

*(m) Any other organization approved by the Commissioner.*

**2.** *An organization listed in subsection 1 is not required to apply for approval as a provider pursuant to section 7 of this regulation so long as:*

*(a) The course offered by the organization is taught by an officer of the organization or his designee; and*

*(b) The only fee received in relation to the course is from or on behalf of the student enrolled in the course.*

**Sec. 23.** NAC 645B.365 is hereby repealed.

#### **TEXT OF REPEALED SECTION**

**645B.365 Prerequisites to receipt of credit for course. (NRS 645B.051, 645B.060, 645B.430)**

1. To obtain credit for a course of continuing education, the course must be completed not more than 2 years before the date on which the license of the mortgage broker or mortgage agent would otherwise expire pursuant to NRS 645B.051 or 645B.430.

2. A mortgage broker or mortgage agent must complete at least 90 percent of a course to receive credit for continuing education for that course.

**Sec. 24.** During the period from the date this regulation is filed with the Secretary of State until October 15, 2009, inclusive, all education courses and instructors may offer courses and instruction for pre-licensing or continuing education requirements pursuant to sections 4 and 6 of this chapter and chapter 645B with only the approval of an organization prescribed in NAC 645B.360 and without approval by the Division. After October 15, 2009, courses and instructors will not be eligible to offer or instruct courses for pre-licensing or continuing education requirements pursuant to sections 4 and 6 of this chapter and chapter 645B without the approval of the Division pursuant to this regulation.