

**PROPOSED REGULATION OF THE
COMMISSIONER OF MORTGAGE LENDING**

LCB File No. R116-14

July 28, 2015

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

AUTHORITY: §1, NRS 645B.060, 645B.070 and 645F.280.

A REGULATION relating to mortgage brokers; establishing the rate for the fee that a mortgage broker must pay for certain supervision and examinations conducted by the Commissioner of Mortgage Lending; providing that the Commissioner will charge and collect from certain persons required to be licensed as mortgage brokers certain fees relating to the costs of any examination, audit, investigation or hearing that is conducted to investigate the conduct, activities or business of the person; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Commissioner of Mortgage Lending must conduct an annual or biennial examination of each mortgage broker doing business in this State, and a mortgage broker must pay a fee based on the rate established by the Commissioner for the examination. (NRS 645B.060, 645F.280) This regulation provides that the annual rate for the examination will be calculated based on an amount equal to \$30 for each loan arranged by the mortgage broker during the immediately calendar year, as reported in the monthly reports that each mortgage broker is required to submit to the Commissioner. (NRS 645B.080)

Under existing law, the Commissioner also may conduct such examinations, audits, investigations and hearings as necessary for the efficient administration of laws regarding mortgage brokers, and a mortgage broker, or person required to obtain a license as a mortgage broker who is subject to the examination, audit, investigation or hearing must pay a fee based on the rate established by the Commissioner. (NRS 645B.060, 645F.280) Existing regulations provide that the Commissioner will charge and collect a fee of \$60 per hour from each mortgage broker for each such examination, audit, investigation or hearing. (NAC 645B.060) Existing law also authorizes the Commissioner to assess against and collect from a person all costs attributable to any examination, audit, investigation or hearing that is conducted to investigate the conduct, activities or business of the person, regardless of whether the person is licensed as a mortgage broker. (NRS 645B.070) This regulation provides that the Commissioner will charge and collect the \$60 per hour fee from: (1) mortgage brokers who are licensed; and (2) persons who are not licensed but are required to be licensed as mortgage brokers and who are subject to an examination, audit, investigation or hearing.

Section 1. NAC 645B.060 is hereby amended to read as follows:

645B.060 1. ~~{Except as otherwise provided in this subsection,}~~ *Each year, the Commissioner will charge and collect from each mortgage broker a fee for supervision and examination of the mortgage broker in an amount equal to \$30 for each loan arranged by the mortgage broker during the immediately preceding calendar year, as reported in the monthly reports submitted by the mortgage broker pursuant to NRS 645B.080.*

2. *The Commissioner will bill each mortgage broker for the fee established in subsection 1. The fee must be paid within 30 calendar days after the date indicated on the invoice. Except as otherwise provided in this subsection, any payment received after the due date must include a penalty of 10 percent of the fee plus an additional 1 percent for each complete month, or portion of the last month, that the fee is not paid. The Commissioner may waive the penalty for good cause.*

3. *In addition to the fee described in subsection 1, the Commissioner will charge and collect a fee of \$60 per hour from each ~~{mortgage broker}~~ licensee for any ~~{supervision,}~~ examination, audit ~~{}~~ or investigation of or hearing *regarding the licensee* conducted pursuant to ~~{chapter 645B of NRS. The Commissioner may charge a fee equivalent to the estimated or actual fee charged to the Division for the time of an attorney required in any examination, investigation or hearing conducted pursuant to chapter 645B of NRS. —2.}~~ *paragraph (e) or (g) of subsection 2 of NRS 645B.060.**

4. The Commissioner will bill each ~~{mortgage broker}~~ licensee upon the completion of the activity for the fee established in subsection ~~{}~~ 3. The fee must be paid within 30 calendar days after the date of the invoice. 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 complete month, or portion of the last month, that the fee is not paid.

The Commissioner may waive the penalty for good cause.

~~{3.}~~ 5. Failure of a mortgage broker to pay ~~{the}~~ *any* fee required ~~{in subsection 1 as provided~~
~~in}~~ *by* this section constitutes grounds for the imposition of any discipline authorized pursuant to
NRS 645B.670, including, without limitation, the revocation of his or her license.

~~{4.—Upon written request by a mortgage broker, the Division will provide an accounting of
the time billed to the mortgage broker pursuant to this section.}~~