

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

LCB File No. R117-14

July 28, 2015

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

AUTHORITY: §1, NRS 645E.300, 645E.310 and 645F.280.

A REGULATION relating to mortgage bankers; establishing the rate for the fee that a mortgage banker must pay for certain supervision and examinations conducted by the Commissioner for Mortgage Lending; providing that the Commissioner will charge and collect from certain persons required to be licensed as mortgage bankers certain fees relating to the costs attributable to 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 banker doing business in this State, and a mortgage banker must pay a fee based on the rate established by the Commissioner for the examination. (NRS 645E.300, 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 made by the mortgage banker during the immediately preceding calendar year, as reported in the monthly reports that each mortgage banker is required to submit to the Commissioner. (NRS 645E.350)

Under existing law, the Commissioner also may conduct such examinations, audits, investigations and hearings as necessary for the efficient administration of laws regarding mortgage bankers, and a mortgage banker subject to the examination, audit, investigation or hearing must pay a fee based on the rate established by the Commissioner. (NRS 645E.300, 645F.280). Existing regulations provide that the Commissioner will charge and collect a fee of \$60 per hour from each mortgage banker for each such examination, audit, investigation or hearing. (NAC 645E.320) 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 banker. (NRS 645E.310) This regulation provides that the Commissioner will charge and collect the \$60 per hour fee from: (1) mortgage bankers who are licensed; and (2) persons who are not licensed but who are required to be licensed as mortgage bankers and who are subject to an examination, audit, investigation or hearing.

Section 1. NAC 645E.320 is hereby amended to read as follows:

645E.320 1. ~~Except as otherwise provided in this subsection,~~ *Each year, the Commissioner will charge and collect from each mortgage banker a fee for supervision and examination of the mortgage banker in an amount equal to \$30 for each loan made by the mortgage banker during the immediately preceding calendar year, as reported in the monthly reports required from the mortgage banker pursuant to NRS 645E.350.*

2. *The Commissioner will bill each mortgage banker 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 licensee or person required to be licensed as a mortgage banker pursuant to chapter 645E of NRS for any ~~supervision,~~ examination, audit ~~or~~ investigation of or hearing regarding the licensee or person conducted pursuant to ~~chapter 645E 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 645E of NRS.~~*

~~—2—~~ *paragraph (e) or (g) of subsection 2 of NRS 645E.300.*

4. The Commissioner will bill each *licensee or person required to be licensed as a mortgage banker pursuant to chapter 645E of NRS* upon the completion of the activity for the fee established in subsection ~~H~~ 3. The fee must be paid not later than 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. Upon written request by a mortgage banker, the Division will provide an accounting of the time billed to the mortgage banker pursuant to this section.}~~

5. Failure of a mortgage banker to pay any fee required pursuant to this section constitutes grounds for the imposition of discipline authorized pursuant to NRS 645E.670, including, without limitation, the revocation of his or her license.