

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

LCB File No. R070-16

NOTICE OF INTENT TO ACT UPON A REGULATION

**NOTICE OF HEARING FOR ADOPTION AND AMENDMENT OF
REGULATIONS OF THE
DIVISION OF MORTGAGE LENDING
LCB FILE No. R070-16**

November 7, 2016

The State of Nevada, Division of Mortgage Lending (the “Division”) will hold a public hearing on December 12, 2016, at 9:00 a.m. The purpose of the hearing is to receive comments from all interested persons regarding the adoption and amendment of permanent regulations that pertain to chapter 645A of the Nevada Administrative Code (“NAC”). The public hearing will be held on the following date, time and locations:

December 12, 2016 at 9:00 a.m.

LAS VEGAS
THE DIVISION OF MORTGAGE LENDING
7220 BERMUDA ROAD
SUITE A
LAS VEGAS, NEVADA 89119

VIA VIDEO CONFERENCE TO:
CARSON CITY
DEPARTMENT OF BUSINESS & INDUSTRY
1830 COLLEGE PKWY. #100
CONFERENCE ROOM
CARSON CITY, NEVADA 89706

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

1. Purpose and need for the proposed regulation

To comply with the Division’s statutory duty to ensure the effectiveness of NRS 645A and to conform with and implement revisions made to the law governing the licensing and regulation of escrow agencies and escrow agents as enacted by Assembly Bill 480 of the 2015 Session of the Nevada Legislature (“AB 480”), thereby adding to and revising various provisions of the NAC governing the licensing and regulation of escrow agencies and escrow agents.

2. Description of proposed regulation and the manner in which approved or revised text of the proposed regulation prepared by the Legislative Counsel Bureau (“LCB”) may be obtained
Authority: NRS 645A.050(2).

Regulations proposed for adoption and amendment are stated in the attached Proposed Regulation of the Commissioner of Mortgage Lending, LCB File No. R070-16. The proposed regulations are those which include measures to:

- Implement the requirement of NRS 645A.195 to define and establish standards for a designated qualified employee;
- Classify certain background records or reports, and information obtained during the course of an examination or investigation, as confidential;
- Establish a procedure for closure of a principal office or branch office and return of original license;
- Implement a semi-annual activity report of a licensee's operations;
- Allow the option to obtain either online or live instruction for obtaining licensure and to provide more flexibility for the approval of education providers, instructors and course topics;
- Amend the requirements for submission of annual financial statements; and
- Revise the standard of proof for hearings conducted pursuant to Chapter 645A of the Nevada Revised Statutes or Nevada Administrative Code.

Access to the approved or revised text of the proposed regulations prepared by the LCB pursuant to NRS 233B.063, may be obtained by visiting the website of the Nevada Legislature at <http://www.leg.state.nv.us>, hovering over the term "Law Library," hovering over the term "Nevada Register," clicking upon the term "Browse," and then clicking upon the term "Numerical Index" appearing under the category "2016 Regulations." Access may then be obtained by simply scrolling down the list of LCB File Numbers to seek "R070-16" or by performing a "search" function specifying LCB File Number R070-16 and clicking upon the item(s).

3. Statement of estimated economic effect of the proposed regulation on the business of mortgage brokers and mortgage agents and upon the public

The Division does not foresee any adverse effects of the proposed regulation (whether immediate or long term) to either the business of escrow agencies / escrow agents or to the public.

The Commissioner has determined that the proposed regulation does not have an adverse economic impact on small business. As structured, the revised regulations lessen the financial burden on small business by eliminating the submission of audited financial statements from certain licensees and expands the reviewed financial statement requirement to all licensees, with the addition of the submission of semi-annual activity reports to assist in ensuring compliance and providing appropriate supervision to protect consumers. The proposed regulation further amends educational requirements to provide more flexibility for the approval of education providers, instructors, and course topics (allowing for online instruction) and provides for waivers of requirements for education providers or instructors under certain circumstances.

The Division anticipates that both the immediate and long-term beneficial effects of the proposed regulation will protect the health and welfare of Nevadans without unnecessarily burdening business activity.

4. Statement identifying the methodology used by the Division in determining the impact of the proposed regulation upon a small business

Through e-mail notification to its current licensees and pending applicants for licensure under NRS 645A, the Division sent a copy of the proposed regulation and solicited comments on whether the proposed revisions to NAC 645A would have any direct and significant impact on a small business, or would otherwise restrict the formation, operation, or expansion of a small business. The e-mail, as directed to 19 such recipients, was additionally posted on the Division's website, the State's official website, and at the Division's offices. In addition, the Division reached out on several occasions, including e-mail transmissions to stakeholders, to solicit comments and suggestions with regard to the revisions which resulted from the statutory amendments made by AB 480. Following a conducted workshop and consideration of the one comment received with respect to the revised reporting requirements, and the comments and concerns expressed by stakeholders, the Commissioner determined that the proposed regulation does not impose a significant and direct burden upon a small business or restrict the formation, operation, or expansion of a small business.

5. The estimated cost to the agency for enforcement of the proposed regulation

The Division does not anticipate incurring additional costs for the implementation and enforcement of the proposed regulation.

6. Overlap or duplication with other state, local governmental or federal agencies

Not applicable.

7. Existence of federal-law requirement for proposed regulation or whether proposed regulation includes more stringent provisions than required by federal regulation governing same activity

None known at the time of this posting.

8. Establishment of new fee or increase to existing fee

The proposed regulation does not provide for a new fee or an increase to any existing fee.

COMMENTS AND WRITTEN SUBMISSIONS

Persons wishing to comment upon the proposed action of the Division of Mortgage Lending may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Division of Mortgage Lending at 7220 Bermuda Road, Suite A, Las Vegas, Nevada, 89119. Written submissions must be received by the Division of Mortgage Lending on or before, December 6, 2016. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division of Mortgage Lending may proceed immediately to act upon any written submissions.

COPIES OF PROPOSED REGULATION

A copy of this notice and the proposed regulation will be on file at the Nevada State Library & Archives, 100 N. Stewart Street, Carson City, Nevada, 89701, for inspection by members of the public during business hours. A copy of the proposed regulation to be considered may be obtained at the hearing or may be downloaded from the Nevada Public Notice website at:

<https://notice.nv.gov>

The proposed regulation is also available on the Division's website at <http://www.mld.nv.gov> and at the Division's office at:

Division of Mortgage Lending
7220 Bermuda Rd., Suite A
Las Vegas, NV 89119

This Hearing Notice has been sent to all interested persons on the Division's mailing list for administrative regulations and posted at the following locations:

Division of Mortgage Lending
7220 Bermuda Rd., Suite A
Las Vegas, NV 89119

Tonopah Public Library
167 S. Central Street
Tonopah, NV 89049

White Pine County Library
950 Compton Street
Ely, NV 89301

Department of Business and Industry
1830 College Pkwy., #100
Carson City, NV 89706

Washoe County Library
(Downtown Reno Library)
301 South Center Street
Reno, NV 89501

Mineral County Public Library
110 1st Street
Hawthorne, NV 89415

Nevada State Library & Archives
100 N. Stewart Street
Carson City, NV 89701

Battle Mountain Library
625 S. Broad Street
P.O. Box 141
Battle Mountain, NV 89820

Pershing County Library
1125 Central Avenue
Lovelock, NV 89419

Elko Conference Center
700 Moren Way (Silver Room)
Elko, NV 89801

Douglas County Library
1625 Library Lane
Minden, NV 89423-0337

Lincoln County Library
63 Main Street
P.O. Box 330
Pioche, NV 89043

Churchill County Library
553 South Maine Street
Fallon, NV 89406-3306

Goldfield Public Library
Corner of Crook & Fourth St.
P.O. Box 430
Goldfield, NV 89013

Lyon County Library-
Yerington Branch Library
20 Nevin Way
Yerington, NV 89447-2399

Elko County Library
720 Court Street
Elko, NV 89801-3397

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Eureka Branch Library
80 S. Monroe Street
P.O. Box 293
Eureka, NV 89316

Story County Library
175 E. Carson Street
PO Box 999
Virginia City, NV 89440

This notice and the text of the proposed regulation are also available in the State of Nevada Register 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>.

Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copying.

Members of the public who are disabled and require special accommodations or assistance at the hearing must provide written notification, at least 5 business days prior to the hearing, to the Division at the above office address.

After the hearing, interested persons can contact Susan Slack, Administrative Assistant, at (702) 486-7251, to request a copy of the Summary of Comments concerning the December 12, 2016, hearing.

Note that NRS 233B.064(2) provides as follows:

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall 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.