

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

LCB File No. R177-18

September 10, 2018

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

AUTHORITY: §§1-4, NRS 622.530 and 645A.050.

A REGULATION relating to licensure by endorsement; prescribing the requirements for licensure by endorsement as an escrow agent or escrow agency; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires certain regulatory bodies to adopt regulations providing for the issuance of a license by endorsement to engage in an occupation or profession in this State to any natural person who: (1) holds a corresponding valid and unrestricted license to engage in that occupation or profession in the District of Columbia or any state or territory of the United States; (2) possesses qualifications that are substantially similar to the qualifications required for issuance of a license to engage in that occupation or profession in this State; and (3) meets certain other requirements. (NRS 622.530) Under existing law, the Commissioner of Mortgage Lending has the authority to regulate escrow agents and escrow agencies. (NRS 645A.050)

Section 2 of this regulation establishes standards for the licensure by endorsement of a natural person as an escrow agent or escrow agency. **Section 3** of this regulation establishes a timeline for the Commissioner to request additional information related to an application, approve an application and issue a license by endorsement. **Section 3** also establishes grounds for the Commissioner to deny an application for licensure by endorsement. **Section 4** of this regulation establishes that a person who has been issued a license by endorsement is subject to the same duties, restrictions, penalties, liabilities, conditions and limitations that apply to a person who has been issued a license which is not a license by endorsement, including those provisions of law relating to the expiration and renewal of a license.

Section 1. Chapter 645A of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. The Commissioner may issue a license by endorsement as an escrow agent or escrow agency to a natural person who holds a corresponding valid and unrestricted license as an escrow agent or escrow agency, as applicable, in the District of Columbia or any state or territory of the United States if the natural person:

1. Submits to the Commissioner all of the following:

(a) An application on a form prescribed by the Commissioner. The applicant shall include his or her social security number in the application.

(b) Proof satisfactory to the Commissioner that he or she:

(1) Holds a corresponding valid and unrestricted license as an escrow agent or escrow agency, as applicable, in the District of Columbia or any state or territory of the United States and has held such a license for a period of at least 5 continuous years immediately preceding the date on which the application is submitted;

(2) Possesses qualifications that are equal to or substantially similar to the qualifications for issuance of a license as an escrow agent or escrow agency, as applicable, including, without limitation, proof satisfactory to the Commissioner that the applicant has successfully completed the education and training required for the issuance of the applicant's license as an escrow agent or escrow agency, as applicable, in the District of Columbia or any state or territory of the United States and that such education and training provided instruction equivalent to the instruction required for initial licensure pursuant to NAC 645A.055 to 645A.160, inclusive;

(3) Was engaged in the business of administering escrows in the District of Columbia or any state or territory of the United States for at least 2 of the 5 years immediately preceding the date on which the application is submitted;

(4) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(5) Has not been disciplined by the corresponding regulatory authority of the District of Columbia or any state or territory in which the applicant currently holds or has held a license as an escrow agent or escrow agency;

(6) Has not been held civilly or criminally liable in the District of Columbia or any state or territory of the United States for misconduct relating to his or her work as an escrow agent or escrow agency;

(7) Has not had a license as an escrow agent or escrow agency suspended or revoked in the District of Columbia or any state or territory of the United States;

(8) Has not been refused a license as an escrow agent or escrow agency in the District of Columbia or any state or territory of the United States for any reason; and

(9) Does not have pending any disciplinary action concerning his or her work as an escrow agent or escrow agency in the District of Columbia or any state or territory of the United States.

(c) A complete set of his or her fingerprints, submitted directly or through the Registry, and written permission authorizing the Commissioner to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report or proof showing that the person previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the application is submitted.

(d) The statement required by NRS 645A.025.

(e) If the applicant is applying for a license as an escrow agent, proof that the applicant is named as principal in the corporate surety bond deposited with the Commissioner pursuant to NRS 645A.041 by the escrow agency with whom he or she is associated and employed.

(f) If the applicant is applying for a license as an escrow agency:

(1) An audited financial statement that is prepared, using the records of each escrow agency managed by the applicant in the District of Columbia or any state or territory of the United States, by a certified public accountant who holds a certificate to engage in the practice of public accounting;

(2) Proof satisfactory to the Commissioner that the applicant is in such financial condition that the applicant can continue in business with safety to his or her customers; and

(3) Proof that the applicant has deposited with the Commissioner a corporate surety bond that is in full force and effect and satisfies the requirements of NRS 645A.041 or that the applicant has deposited a substitute form of security pursuant to NRS 645A.042.

(g) An affidavit stating that the information contained in the application and any accompanying material is true and complete.

(h) Any other information required by the Commissioner.

2. Pays the following fees, as applicable:

(a) For the issuance of a license by endorsement as an escrow agency:

(1) For filing an application for a license by endorsement, \$500 for the principal office and \$100 for each branch office.

(2) If the license is approved for issuance, \$200 for the principal office and \$100 for each branch office.

(b) For the issuance of a license by endorsement as an escrow agent:

(1) For filing an application for a license by endorsement, \$100.

(2) If a license is approved for issuance, \$25.

Sec. 3. 1. *Not later than 21 business days after receiving an application for a license by endorsement as an escrow agent or escrow agency pursuant to section 2 of this regulation, the Commissioner shall provide written notice to the applicant of any additional information required by the Commissioner to consider the application. Unless the Commissioner denies the application pursuant to subsection 2, the Commissioner shall approve the application and issue a license by endorsement as an escrow agent or escrow agency, as applicable, to the applicant not later than:*

(a) Sixty days after receiving the application;

(b) Fifteen days after the Commissioner receives the report from the Federal Bureau of Investigation or proof that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the application is submitted, as required by paragraph (c) of subsection 1 of section 2 of this regulation; or

(c) If the application is for licensure as an escrow agency, fifteen days after depositing with the Commissioner the surety bond required by NRS 645A.041 or a substitute form of security pursuant to NRS 645A.042,

↪ whichever occurs later.

2. *The Commissioner may deny an application for licensure by endorsement submitted pursuant to section 2 of this regulation if:*

(a) An applicant willfully fails to comply with the requirements of paragraph (c) of subsection 1 of section 2 of this regulation;

(b) The report from the Federal Bureau of Investigation indicates that the applicant has been convicted of a crime that would be grounds for taking disciplinary action against the applicant as a licensee and the Commissioner has not previously taken disciplinary action against the licensee based on that conviction; or

(c) The Commissioner finds that he or she would have grounds for denying the application if the application was not an application for licensure by endorsement.

Sec. 4. 1. *Except as otherwise provided in section 2 of this regulation, a person who has been issued a license by endorsement as an escrow agent or escrow agency pursuant to section 3 of this regulation is subject to the same duties, restrictions, penalties, liabilities, conditions and limitations that apply under the laws of this State to a person who has been issued a license as an escrow agent or escrow agency, as applicable, who was not issued a license by endorsement pursuant to section 3 of this regulation.*

2. A license by endorsement issued pursuant to section 2 of this regulation expires and is subject to renewal as provided by NRS 645A.040 on the same terms as a license which was not issued by endorsement pursuant to section 3 of this regulation.