

**PROPOSED REGULATION OF THE
DIVISION OF MORTGAGE LENDING**

LCB FILE NO. R179-18I

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by the agency submitted on 06/28/2018**

PROPOSED REGULATION OF THE DIVISION OF MORTGAGE LENDING
(NAC 645E governing Mortgage Bankers)

LCB File No. _____-18

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

AUTHORITY: §§1-5, NRS 645E.200 and sections 1 – 5 of Senate Bill No. 69, chapter 518, Statutes of Nevada 2017; §6, NRS 645E.300, and 645E.350 as amended by section 7 of Senate Bill No. 498, chapter 531, Statutes of Nevada 2017.

Section 1. Chapter 645E of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Sec. 2. *1. The Commissioner may issue by endorsement an initial mortgage banker license to an applicant who is a natural person and meets the requirements set forth in this section. An applicant may submit to the Commissioner an application for initial license by endorsement if at the time of the application, the applicant:*

(a) Is registered through the Registry;

(b) Holds a corresponding valid and unrestricted license to engage in the activities of a mortgage banker in the District of Columbia or any state or territory of the United States; and

(c) Possesses qualifications that are equal to or substantially similar to the qualifications required for issuance of a license to engage in the activities of a mortgage banker in this State.

2. An applicant for a license by endorsement pursuant to this section must submit to the Commissioner with his or her application:

(a) Proof satisfactory to the Commissioner that the applicant:

- (1) Satisfies the requirements of section 2, subsection 1 of this regulation;*
- (2) Is a citizen of the United States or otherwise has the legal right to work in the United States;*
- (3) Is and has been licensed to engage in the activities of a mortgage banker in the District of Columbia or any state or territory of the United States, for a period of at least 5 continuous years immediately preceding the date on which the application is submitted (2 years of which must constitute “verifiable experience in the business of lending money for real estate or mortgages” as that phrase is defined in NAC 645E.200(2));*
- (4) Has achieved or continued to achieve a passing score on the National S.A.F.E. Mortgage Licensing Act Test with Uniform State Content;*
- (5) Has met the requirements imposed by the National S.A.F.E. Mortgage Licensing Act;*
- (6) Has successfully completed the hours of education or training required for the corresponding mortgage banker license in the District of Columbia or the state or territory of the United States in which he or she is currently licensed (the curriculum of which includes subject matters deemed by the Commissioner to be equivalent to the instruction required or approved by the Commissioner in this State);*
- (7) 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 to engage in the activities of a mortgage banker;*

(8) 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 activities as a mortgage banker;

(9) Has not had a license to engage in the activities of a mortgage broker or mortgage agent suspended or revoked in the District of Columbia or any state or territory of the United States;

(10) Has not been refused a license to engage in the activities of a mortgage broker or mortgage agent in the District of Columbia or any state or territory of the United States for any reason;

(11) Does not have pending any disciplinary action concerning his or her license to engage in the activities of a mortgage broker or mortgage agent in the District of Columbia or any state or territory of the United States;

(b) A complete set of his or her fingerprints (unless already submitted through the Registry) and written permission authorizing the Division 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 satisfactory to the Commissioner that the applicant has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the Nevada application is submitted;

(c) In compliance with NRS 645E.210 for issuance of a mortgage banker license, and as required by NRS 425.520, a statement or declaration describing whether or not the applicant is subject to a court order for the support of a child and whether or not the applicant is in compliance with such order or plan approved by the district attorney or other public agency enforcing such order;

(d) A surety bond that meets the requirements of NAC 645E.323;

(e) An independently audited financial statement with satisfactory proof that the applicant is in such financial condition that the applicant can maintain or continue in business;

(f) Any other information which the Commissioner deems necessary to conduct the activities of a mortgage banker, or any other information requested by the Commissioner in connection with the evaluation and investigation of the applicant's qualifications and suitability for licensure pursuant to this chapter or chapter 645E of NRS;

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

(h) Payment of the fee for filing application for licensure by endorsement in the amount and manner as otherwise required for an applicant to obtain a mortgage banker license, in this State.

3. Not later than 21 business days after receiving an application for a license by endorsement to engage in the activities of a mortgage banker pursuant to this section, 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 for good cause, the Commissioner shall approve the application and issue a license by endorsement to engage in the activities of a mortgage banker not later than:

(a) Sixty days after receiving the application; or

(b) 15 days after the Commissioner receives a criminal-background report from the Federal Bureau of Investigation, or proof satisfactory to the Commissioner that the applicant

has previously passed a comparable criminal background check within the 6 months immediately preceding the date on which the Nevada application is submitted; or

(c) 15 days after the filing of the surety bond as required by section 2, subsection 2, paragraph (d) of this regulation, with the Commissioner, whichever occurs later.

Sec. 3. *The Commissioner may deny an application for licensure by endorsement if:*

(a) An applicant willfully fails to comply with the provisions of section 2, subsection 2, paragraph (b) 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) Grounds for license denial exist based upon any other lawful reason or pursuant to any other provision of law.

Sec. 4. *To the extent consistent with the provisions of sections 1—5 of Senate Bill 69, chapter 518, Statutes of Nevada 2017, and section 2 of this regulation, issuance of a license by endorsement to engage in the activities of a mortgage banker pursuant to this chapter or chapter 645E of NRS, subjects that licensee to the same rights, duties, obligations, limitations, standards, and conditions of doing business, as well as to the same authorized disciplinary actions, as is otherwise prescribed for licensed mortgage bankers pursuant to this chapter or chapter 645E of NRS.*

Sec. 5. *To the extent consistent with sections 1—5 of Senate Bill 69, chapter 518, Statutes of Nevada 2017, and section 2 of this regulation, issuance of a license by endorsement to engage*

in the activities of a mortgage banker pursuant to this chapter or chapter 645E of NRS, requires that licensee to comply with the same continuing education and license-renewal requirements for retention of his or her license as is otherwise required for licensed mortgage bankers pursuant to this chapter or chapter 645E of NRS.

Sec. 6. NAC 645E.350 is hereby amended to read as follows:

NAC 645E.350 1. *Unless such requirement is otherwise waived by the Commissioner in accordance with subsection 3 of NRS 645E.350, ~~E~~each mortgage banker shall submit, for each month, on a form approved by the Commissioner, a report on the volume of loans made by the mortgage banker in that month. *If the submission of the required report is not otherwise waived by the Commissioner as provided in this subsection, ~~T~~the monthly report must be submitted to the Commissioner by the 15th day of the month following the month for which the report was made. If no loans were arranged in that month, the report must state that fact.**

2. The Commissioner may refuse to renew the license of a mortgage banker that has not submitted a monthly report as required by subsection 1 for 1 or more of the preceding 12 months.