

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED  
BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066  
Informational Statement  
LCB FILE NO. R037-20  
(NRS 604A Deferred Deposit, High-Interest, and Title Loans Database)**

The following statement is submitted for adoption of regulations pertaining to Nevada Administrative Code (“NAC”) Chapter 604A, Deferred Deposit Loans, High-Interest Loans, Title Loan and Check-Cashing Services.

**1. A clear and concise explanation of the need for the adopted regulation.**

The regulation is required as a result of the passage of Senate Bill (“SB”) 201 during the 80th Session of the Nevada Legislature. Existing law requires the Division to develop, implement and maintain, by contract with a service provider a database of all deferred deposit loans, title loans and high-interest loans in this State. This regulation sets forth the criteria, duties and requirements of the database and service provider, as well as requirements for licensees and the Division.

This regulation is needed to establish the specifications of the database for the Division to administer, carry out and enforce the provisions of S.B.201. It will provide consumer protection for Nevada borrowers and a centralized database to assist licensees in making loans to a borrower, as they can see how many outstanding loans a borrower may have with other NRS 604A lenders.

**2. A description of how public comment was solicited, a summary of public response, an and explanation of how other interested persons may obtain a copy of the summary.**

Copies of the proposed regulation, notice of workshop, small business impact statement, and notice of intent to act upon the regulation were emailed to the division licensees, division’s rulemaking contact list, persons who were known to have an interest in the regulation as well as any persons who had specifically requested such notice. These documents were also made available on the Financial Institutions Division’s website at <http://fid.nv.gov/> and the Nevada Public Notice website at <https://notice.nv.gov/>; posted at the Division’s Las Vegas and Reno office; and provided to the Nevada State Library for posting and to all county libraries. The proposed regulation and notice of intent to act upon the regulation were additionally provided to the Nevada State Library and all county libraries in Nevada for posting. The workshop notice and notice of intent to act upon the regulation was further submitted for posting on the Nevada Legislature’s website.

On February 7, 2020, via email, the Division notified 120 persons, this include its licensees and persons on the division’s rulemaking contact list concerning the proposed regulation, provided a copy of the proposed regulation, and solicited written comments concerning whether it would impose a direct and significant economic burden upon a small business that is subject to NRS 604A, and any regulations adopted pursuant thereto; or directly

restrict the formation operation, or expansion of a small business that is subject to NRS 604A, and any regulation adopted pursuant thereto.

In response to the February 7, 2020 solicitation, the Division's record reflects receipt of twenty-five (25) small business impact surveys. Attached summary of comments received from the small business impact survey are attached hereto as "Exhibit A."

On March 12, 2020, the Division issued and posted a notice of the workshop, and sent via email, to 122 persons, this include its licensees and persons on the rulemaking contact list. The workshop was scheduled for March 31, 2020 in Las Vegas at the Grant Sawyer Building with videoconference to the Legislative Counsel Bureau Hearing Room. However, due to the COVID-19 pandemic all in-person meetings for state offices were canceled and state buildings were closed. After Governor Steve Sisolak issued Emergency Directive 006 to suspend in-person meetings and allow for any public body to hold meetings by teleconference or videoconference, the Division rescheduled the workshop for April 29, 2020 via teleconference. However, there was technical issues with the phone lines and some callers were being dropped or could no longer call-in. The Division had to cancel the workshop.

The Division rescheduled the first workshop via Webex conference for July 8, 2020. On June 22, 2020, the Division issued and posted a notice of the workshop, and sent via email, to 129 persons, this include its licensees and persons on the rulemaking contact list. The workshop was held July 8, 2020. Minutes of the workshop are attached hereto as "Exhibit B." The minutes reflect receipt of both verbal and written comments.

On August 31, 2020, the Division issued and posted a notice of a second workshop, and sent via email to 130 persons, this include its licensees and persons on the rulemaking contact list. The second workshop was held on September 16, 2020 via Webex conference. Minutes of the workshop are attached hereto as "Exhibit C". The minutes reflect receipt of both verbal and written comments.

The Legislative Counsel Bureau (LCB) posted its revised draft of proposed regulation R037-20 on October 26, 2020. On November 9, 2020, the Division issued and posted a notice of intent to act upon regulation based upon LCB draft proposed regulation R037-20, along with a notice of public meeting and solicited further written comments on the proposed regulation. On the same day, the Division sent via email to 143 persons, this include its licensees and persons on the rulemaking contact list. On November 13, 2020, LCB posted revised proposed regulations with three corrected items, which were: first item in section 3, missing the number "4" from 604A, it read NRS 60A.303 should have read NRS 604A.303, second item, was an unnecessary apostrophe at the beginning of section 14 subsection 2 and third item was three sections where "monthly" was added to gross income to read "gross monthly income" in align with NRS Chapter 604A in sections 14, section 18 subsection 2(m) and section 22 subsection(1). The adoption hearing was held on December 9, 2020 via Webex conference. Minutes of the hearing are attached hereto as "Exhibit D". The minutes reflect receipt of both verbal and written comments.

3. **The number of persons who:**

**Attended July 8, 2020 workshop: 35**

**Testified at the workshop: 17**

**Attended September 16, 2020 second workshop: 89**

**Testified at the workshop: 12**

**Attended December 9, 2020 hearing: 80**

**Testified at the hearing: 17**

**Submitted written comments: 27**

4. **A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified in #3, above, as provided to the agency.**

Attended the July 8, 2020 workshop:

Emily Ku	Business and Industry	eku@business.nv.gov
Heidi Welch	USA Cash Services	heidi.welch@usacashservices.com
Peter Aldous	Legal Aid Center of Southern Nevada	paldous@lacs.n.org
Julie Townsend	Purpose Financial	jtownsend@teampurpose.com
Jason Queen	Koster Finance	jqueen@kosterfinance.com
Janet Phillips	USA Cash Services	Janet@usacashservices.com
Michael Kerr	CashNet USA	mkerr@enova.com
William Horne	Strategies360	williamh@strategies360.com
Rita Greggio	Washoe Legal Services	rgreggio@washoelegalservices.org
Victoria Newman	TitleMax	victoria.newman@titlemax.com
JoAnn Hope	Moneytree Inc	joann.hope@moneytreeinc.com
Patrick Reilly	Brownstein Hyatt Farber Schreck	preilly@bhfs.com
Chad Miraglia	Chad Miraglia	chadmiraglia@thrivos.com
Taylor Altman	Legal Aid Center of Southern Nevada	taltman@lacs.n.org
Rachael Schreiber	TitleMax	Rachael.Schreiber@titlemax.com
Kristyn Leonard	The Nevada Independent	kristyn@thenvindy.com
Josette DiBlasio	TMX Finance LLC	josette.diblasio@titlemax.com
Ethan Wilson	Catalyst	ethan@catalystgrouponline.com
Jeanette Belz	JK Belz & Associates, Inc.	jb@jkelz.com
Charlie Mottier	Axcess Financial Services, Inc.	cmottier@axcess-financial.com
Erika Castro	Progressive Leadership Alliance of Nevada	ecastro@planevada.org
Lauren Catlin	Creditbox.com LLC	lcatlin@americashloans.net
Dennis Bassford	Moneytree, Inc.	dennis.bassford@moneytreeinc.com
David Raine	USA Cash Services	david@usacashservices.com
Lourdes Gonzalez	Leo's Title Loan, LLC	leostitleloan@gmail.com
Melissa Hynson	Speedee Cash Management	mhynson@speedeenet.com
Ross Martin	Check City	rossm@checkcity.com
Ryan Marchesi	Check City	Ryanm@checkcity.com
Robin Collins	Green Valley United Methodist/Nevadans for the common Good	collinsluv4jc@gmail.com
Jennifer Ferrer	Hi-Tex, LLC	jennifer@moneyinminutesnv.info
Linda J. Smith	Dubble Check	dubblecheckloans@gmail.com
Dustin Kramer	Paycheck Advance	dlkramer@investmentserv.com
Yessie Medina	Cash 1 LLC	yessiemedina@thrivos.com
Susan Hammon	Hi-Tex, LLC	susanhammon@protonmail.com
Yessie Medina	Cash 1 LLC	yessiemedina@thrivos.com

Out of the 89 individuals that attended the second workshop on September 16, 2020, only 23 signed-in:

Name	Company or Organization	Email Address
Lea Cartwright	J.K. Belz & Associates	lc@jkbelz.com
JoAnn Hope	Moneytree, Inc	joann.hope@moneytreeinc.com
Heidi Welch	USA Cash Services	heidi.welch@usacashservices.com
W. H. "Trip" Ruby	TMX Finance Family of Companies	Trip.Ruby@titlemax.com
Janet Phillips	USA Cash Services	janet@usacashservices.com
Peter Aldous	Legal Aid Center of Southern Nevada	paldous@lacs.org
Victoria Newman	TitleMax of Nevada, Inc.	victoria.newman@titlemax.com
Julie Townsend	Purpose Financial, Inc.	jtownsend@teampurpose.com
Michael Kerr	Enova	mkerr@enova.com
Taylor Altman	Legal Aid Center of Southern Nevada	taltman@lacs.org
Lacy Stuehler	Dubble Check	dubblecheckloans@gmail.com
Lourdes Gonzalez	Leo's Title Loan LLC	leostitleloan@gmail.com
Matt Kownacki	American Financial Services Association	mkownacki@afsamail.org
Lauren Catlin	Creditbox.com LLC	lcatlin@creditbox.net
Bailey Bortolin	Nevada Coalition of Legal Service Providers	bbortolin@washoelegalservices.org
Marty G. Baker	Thrivos, Inc.	martybaker@thrivos.com
Ross Martin	Check City	rossm@checkcity.com
Jim Marchesi	Check City	Ryanm@checkcity.com
Ryan Marchesi	Check City	Ryanm@checkcity.com
Rachael Schreiber	TMX Finance Family of Companies	Rachael.Schreiber@titlemax.com
Jim Marchesi	Check City	Jtskee@aol.com
Robert Grieser	Community Choice Financial	rgrieser@ccfi.com
Ethan Wilson	Catalyst	ethan@catalystgrouponline.com

Out of the 80 individuals that attending the adoption hearing on December 9, 2020, only 28 signed-in:

Name	Company or Organization	Email Address
Peter Aldous	Legal Aid Center of Southern Nevada	paldous@lacs.nv.gov
Victoria Newman	TitleMax of Nevada, Inc.	victoria.newman@titemax.com
Jeanette Belz	J.K. Belz & Associates, Inc.	jb@jkbels.com
Linda J. Smith	Dubble Check	dubblecheckloans@gmail.com
steve	PCA	sphere76@gmail.com
Sheryl Smith	Omni Financial	ssmith@yesomni.com
Yesenia Medina	Cash 1	yessiemedina@thrivos.com
Lauren Catlin	AmeriCash Loans	lcatlin@americashloans.net
Aaron Mansfield	CURO Financial Technologies Corp	AaronMansfield@curo.com
Joel Tasca	Ballard Spahr LLP	tasca@ballardspahr.com
Marty G. Baker	Thrivos, Inc.	martybaker@thrivos.com
Heidi Welch	USA Cash Services	heidi.welch@usacashservices.com
Jose Herrera	Continental Currency Services of NV	jherrera@ccurr.com
William Horne	Strategies360 representing Enova	williamh@strategies360.com
Bailey Bortolin	Nevada Coalition of Legal Service Providers	baileybortolin@gmail.com
Taylor Altman	Legal Aid Center of Southern Nevada	taltman@lacs.nv.gov
Shirley Hardin	Check Traders	checktraders@ltnv.com
Janet Phillips	USA Cash Services	janet@usacashservices.com
Julie Townsend	Purpose Financial	jtownsend@teampurpose.com
Patrice Childers	Mucho Frio, Inc.	pachilders@rightnowmgmt.com
Malani Kotchka-Alanes	Lewis Roca Rothgerber Christie LLP on behalf of TitleMax of Nevada, Inc.	mkotchkaalanes@lrrc.com
Matthew Macy	Nevada Title and Payday Loans, Inc.	mmacy@clacorp.com
TRENT MATSON	MONEYTREE, INC.	trent.matson@moneytreeinc.com
Neal Tomlinson	Brownstein Hyatt - On behalf of Dollar Loan Center	ntomlinson@bhfs.com
Melissa Soper	CURO	Melissasoper@curo.com
Ross Martin	Check City	rossm@checkcity.com
Siusan Hammon	Hi-Tex, LLC	susanhammon@protonmail.com
Lourdes Gonzalez	Leo's Title Loan, L.L.C.	leostitleloan@gmail.com

**5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public (see item 2 above). A summary of responses can be found in the minutes to the workshops and the hearing (Exhibits B, C and D) and small business impact statement (Exhibit A). Copies of these materials can be obtained by contacting Mary Young, Financial Institutions Division at [fidmaster@fid.state.nv.us](mailto:fidmaster@fid.state.nv.us) or [mmyoung@fid.state.nv.us](mailto:mmyoung@fid.state.nv.us) or 702-486-4120 or by visit the Division's website: [www.fid.nv.gov](http://www.fid.nv.gov).

6. **If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The initial agency draft regulation was submitted to LCB on March 12, 2020 (see “Exhibit E”) and revisions in consideration of industry comments were submitted on June 24, 2020 (see “Exhibit F”) and August 27, 2020 (see “Exhibit G”) to LCB for their review to determine that the regulation conformed to legislative authority and intent. LCB completed their initial review and provided its revised regulation dated October 26, 2020 and a draft revised proposed regulation dated November 13, 2020 that corrected three items from the version dated October 26, 2020. Those three corrected items were : first item in section 3, missing the number “4” from 604A, it read NRS 60A.303 should have read NRS 604A.303, second item, was an unnecessary apostrophe at the beginning of section 14 subsection 2 and third item was three sections where “monthly” was added to gross income to read “gross monthly income” in align with NRS Chapter 604A in sections 14, section 18 subsection 2(m) and section 22 subsection(1).

At the conclusion of the noticed public hearing on December 9, 2020, the permanent regulation was adopted in the form proposed and reflected in the LCB Draft of Proposed Regulation R037-20 dated November 13, 2020. However, the Division did adopt a change, removing subsection 2(n) *The total obligations of the customer* from section 18, after comments were received during the adoption hearing. The Division discussed the comments received during the hearing and determined that removing that subsection was not considered a substantial change and could avoid a potential conflict between NRS 604A and NAC 604A for lenders that underwrite high-interest loans and deferred deposit loans since NRS 604A does not specifically require a customer’s total obligations when determining a customer’s ability to repay as the chapter specifically states it for Title Loans.

No other changes were made during or after the adoption hearing. The Division made any changes it could in consideration of public comments throughout the rulemaking process, as long as it did not impact the consumer protect responsibility of the Division or the spirit and intent of the law.

7. **The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.**

(a) Both adverse and beneficial effects.

Adverse effects. The 604A community has concerns of the start-up, training, and ongoing costs associated with implementing and maintaining the database. In addition, the community is concerned they may see a decrease in accounts receivable since less loans will be given out due to the database providing frontend compliance with NRS 604A.

The Division does not foresee any adverse effects of the proposed regulation. There is no additional expense for the licensee to operate the database. The service provider will not charge a start-up fee. The fee will be charged per approved loan and the minimal charge, not

to exceed \$3.00, will be passed on to the customer. The volume of loans may go down due to the database verifying eligibility of a loan and all licensees will be reporting to the database. This may have an impact on the loans made by a licensee since a customer's ability to repay is considered for loans a customer receives from all licensees, the database will assist a licensee to be in compliance with NRS 604A.

Beneficial effects. Less loans will be made due to the database providing an eligibility check of the loan, however, less consumers will go into default since the ability to repay is checked and the lenders percentage of paid-in-full loans should increase, and could result in a strong returning customer base. The Division has determined the most noticeable beneficial effect from the passage of S.B. 201 is the database will require all licensees to access the database to ensure compliance with existing law governing 604A loans, which will allow a lender to see all loans a customer has with other lenders to determine ability to repay a loan and make a loan that is more likely to be paid back, it will help consumers from staying off the debt treadmill and have access to credit within their ability to repay a loan, and provide data for statistical purposes.

(b) Both immediate and long-term effects.

The immediate effect or long-term economic effect on regulated entities and to the public is the database will assist the licensees with compliance with NRS 604A and their ability to verify additional loans a customer may have outstanding with other lenders. The database provides frontend enforcement of current consumer protections in existing law. The database is a tool for a lender in making loans with the potential of a higher rate of loans being paid back and will assist a licensee with making loans in compliance with existing laws. Borrowers will take out loans they are capable of paying back in a timely manner and will keep a borrower off the debt treadmill.

**8. The estimated cost to the agency for the enforcement of the adopted regulation.**

The Division anticipates the cost of enforcement of the proposed regulation to be absorbed into the workloads of existing staff and will not need any additional funding or budget increase.

**9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

To the best of the Division's knowledge, there are no other state or government agency regulations known by the Division that the proposed regulation overlaps or duplicates.

**10. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

To the best of the Division's knowledge, the adopted regulation does not include provisions which are known to be more stringent than a federal regulation which regulates the same activity.

**11. If the regulation provides a new fee or increase an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed regulation provides for the service provider to collect a small fee for each approved loan from a 604A licensee, which is passed on to the borrower. The Division will not collect or assess a fee.

Enclosed:

Exhibit A – Small Business Impact Statement

Exhibit B – Minutes of July 8, 2020 Workshop on R037-20

Exhibit C – Minutes of September 16, 2020 Second Workshop on R037-20

Exhibit D – Minutes of December 9, 2020 Adoption Hearing on R037-20

Exhibit E - Initial Draft of Proposed Regulation Submitted to LCB on March 12, 2020

Exhibit F - Second Draft of Proposed Regulation Submitted to LCB on June 24, 2020

Exhibit G –Third Draft of Proposed Regulation Submitted to LCB on August 27, 2020