

STATE OF NEVADA



STEVE SISOLAK  
*Governor*

TERRY REYNOLDS  
*Director*

SANDY O'LAUGHLIN  
*Commissioner*

DEPARTMENT OF BUSINESS AND INDUSTRY

**FINANCIAL INSTITUTIONS DIVISION**

**NOTICE OF INTENT TO ACT UPON A REGULATION  
AND HEARING AGENDA**

**Notice of Hearing for the Adoption of Regulations**

The Department of Business and Industry, Nevada Financial Institutions Division  
Chapter 649 of the Nevada Administrative Code- Collection Agencies

The State of Nevada, Department of Business and Industry, Financial Institutions  
("Division") will hold a public hearing on **March 23, 2022 at 10:00 a.m.** via Webex  
videoconference and teleconference. The purpose of the hearing is to receive  
comments from all interested persons regarding the adoption of permanent regulations  
that pertain to Chapter 649 of the Nevada Administrative Code ("NAC").

Date: March 23, 2022

Time: 10:00 a.m. – 1:00 p.m. PST

When it's time, join the Webex meeting by clicking on "Join meeting" link below:

[Join meeting](#)

Meeting number (access code): 2494 024 9426

Meeting password: SB248HEARING

Or join by phone: 1-844-621-3956 United States Toll Free

Additional options to join:

Join from a video system or application

Dial 24940249426@businessnv2.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation and the adoption of Chapter 649 of the Nevada Administrative Code (“NAC”), LCB File No. R055-21, dated February 11, 2022.

The following information is provided pursuant to the requirements of the Nevada Revised Statutes (“NRS”) 233B.0603:

**LCB File No. R055-21**

A regulation relating to financial institutions; requiring a collection agency to send a medical debtor notification of certain information relating to a medical debt; requiring a collection agency to satisfy certain requirements relating to an action to collect a medical debt; requiring a collection agency to maintain written verification of its compliance with certain laws governing the collection of medical debts; revising provisions governing the use of machine-derived form letters by a collection agency; and providing other matters properly relating thereto.

1. Need for and purpose of the proposed regulation

The regulation is required as a result of the passage of Senate Bill (“SB”) 248 during the 81st Session of the Nevada Legislature. Existing law governs collection agencies, including those collecting medical debt. Existing law authorizes the Commissioner of Financial Institutions to adopt regulations for the administration and enforcement of existing law.

This regulation is needed for the Division to administer, carry out and enforce the provisions of S.B.248. It will provide additional consumer protection for Nevadans who owe medical debt.

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: SB 248- NRS 649.053 and NRS 649.059.

The regulation proposed for adoption is stated in the attached Proposed Regulation of the Commissioner of the Financial Institutions Division, LCB File No. R055-21. The proposed regulation includes measures to implement the requirements of SB 248 to administer, carry out and enforce the provisions of NRS 649 as amended by SB 248 and revising NAC 649.280. This includes:

- Defining “action to collect a medical debt” for the purposes of this chapter;
- Sets forth certain requirements for a licensee relating to the 60-day notification;
- Sets forth certain action that can or cannot be taken within the 60-day notification period;
- Removes prior approval of machine-derived form letters by the Division; and
- Other matters properly related thereto.

Access to the approved or revised text of the proposed regulation 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 “2021 Regulations.” Access may then be obtained by scrolling down the list of LCB File Numbers to seek “R055-21” or by performing a search function specifying LCB File Number “R055-21” and clicking upon the item(s).

3. Statement of estimated economic effect of the proposed regulation on the business of financial product or service providers and upon the public

The estimated economic effect of the proposed regulation on the business which it is to regulate:

a. Adverse effect:

- i. Immediate effect- Medical debt collectors are concerned of the adverse effects that S.B.248 will impose on the industry, including their medical clients and medical debtors. The comments were more directed towards S.B.248 and not the proposed regulations.
- ii. Long-term effect- Medical debt collectors are concerned of the adverse effects that S.B.248 will impose on the industry, including their medical clients and medical debtors. The comments were more directed towards S.B.248 and not the proposed regulations.

b. Beneficial effect:

- i. Immediate effect- Medical debt collectors did not provide beneficial comments regarding the proposed regulations.
- ii. Long-term effect- Medical debt collectors did not provide beneficial comments regarding the proposed regulations.

The Division has determined that the proposed regulation does not have an adverse economic impact on small business.

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

The Division reviewed the proposed regulation and preliminarily determined that it will not impose a direct and significant economic burden upon a small business, or directly

restrict the formation, operation or expansion of a small business, because the proposed regulation does not require additional expense for the licensee to operate.

The Division vetted this preliminary determination by soliciting comments on the issue as part of the small business impact questionnaire and of its notice of workshop for the proposed regulation and in its e-mail notification to current licensees under NRS Chapter 649 and the Division's regulatory action contact list. Additionally, the notice of workshop and small business impact statement was posted on the Division's website, the State's official website, the Nevada Legislature's website and at the public locations of the Division's offices in Las Vegas and Reno, and all other public locations required by NRS 233B. Following the conducted workshop and consideration of the comments received during the workshop and comments from fifty-five (55) entities who responded to the small business impact questionnaire, the Commissioner concluded 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 anticipates the cost of enforcement of the proposed regulation to be absorbed into the workloads of existing staff. The Division does not anticipate the need for any additional funding or a budget increase.

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

To our knowledge, the proposed regulation does not duplicate any existing federal, state, or local standards regulating the same activity.

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

The proposed regulation does not duplicate any existing federal, state, or local standards regulating the same activity. The proposed regulation and S.B. 248 work in conjunction with existing federal and state laws.

8. Establishment of new fee or increase to existing fee

The proposed regulation does not establishment new fees.

## COMMENTS AND WRITTEN SUBMISSIONS

Persons wishing to comment upon the proposed action of the Financial Institutions Division may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Financial Institutions Division at [fidmaster@fid.state.nv.us](mailto:fidmaster@fid.state.nv.us) or at 3300 West Sahara Avenue, Suite 250, Las Vegas, Nevada, 89102. Written submissions must be received by the Division on or before **March 8, 2022**. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Financial Institutions Division may proceed immediately to act upon any written submissions.

## COPIES OF PROPOSED REGULATION

A copy of this notice and the proposed regulation to be adopted 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. Additional copies of the notice and the proposed regulation to be adopted will be available at the Division's website at [www.fid.nv.gov](http://www.fid.nv.gov) and at the Division's offices at:

Southern Nevada  
Financial Institutions Division  
3300 West Sahara Avenue, Suite 250  
Las Vegas, NV 89102

Northern Nevada  
Financial Institutions Division  
1755 East Plumb Lane, Suite 243  
Reno, NV 89502

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 or emailed to members of the public upon request. A reasonable fee may be charged for copying.

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.

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:

Attn: Public Posting  
Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Nevada State Business Center  
3300 W. Sahara Avenue  
Las Vegas, Nevada 89102

Financial Institutions Division  
3300 W. Sahara Avenue, Suite 250  
Las Vegas, Nevada 89102

Attn: Public Posting  
Nevada State Library & Archives  
100 North Stewart Street  
Carson City, Nevada 89701

Nevada Public Notice website:  
[www.notice.nv.gov](http://www.notice.nv.gov)

Nevada Legislature website:  
[www.leg.state.nv.us/App/Notice/A/](http://www.leg.state.nv.us/App/Notice/A/)

Financial Institutions Division  
1755 East Plumb Lane, Suite 243  
Reno, Nevada 89502

Attn: Public Posting  
Nevada Dept. of Business & Industry  
1830 College Parkway, Suite 100  
Carson City, Nevada 89706

Attn: Public Posting  
Grant Sawyer Building  
555 E. Washington Avenue  
Las Vegas, Nevada 89101

**NOTICE OF PUBLIC MEETING  
TO CONDUCT A HEARING FOR ADOPTION  
OF REGULATIONS OF THE COMMISSIONER OF THE  
FINANCIAL INSTITUTIONS DIVISION  
LCB FILE No. R055-21  
AND  
MEETING AGENDA**

The State of Nevada, Financial Institutions Division (“Division”), 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 is proposing the adoption of regulations to Chapter 649 of the Nevada Administrative Code (“NAC”). The proposed regulations are required as a result of the passage of Senate Bill 248 (S.B.248) during the 81st Session of the Nevada Legislature adjourned sine die on June 1, 2021. A public meeting on this matter has been set for **10:00 a.m. on March 23, 2022**, via Webex videoconference and teleconference:

Date: March 23, 2022

Time: 10:00 a.m. – 1:00 p.m. PST

When it’s time, join the Webex meeting by clicking on “Join meeting” link below:

[Join meeting](#)

Meeting number (access code): 2494 024 9426

Meeting password: SB248HEARING

Or join by phone: 1-844-621-3956 United States Toll Free

Additional options to join:

Join from a video system or application

Dial 24940249426@businessnv2.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

The purpose of the meeting is to conduct a hearing of all interested persons regarding the following proposed regulation and for the Division to take possible action on the regulation’s adoption. Please submit any written comments no later than **March 8, 2022**.

**LCB File No. R055-21.**  
**NRS 649 Collection Agencies**

A regulation relating to financial institutions; requiring a collection agency to send a medical debtor notification of certain information relating to a medical debt; requiring a collection agency to satisfy certain requirements relating to an action to collect a medical debt; requiring a collection agency to maintain written verification of its compliance with certain laws governing the collection of medical debts; revising provisions governing the use of machine-derived form letters by a collection agency; and providing other matters properly relating thereto.

A copy of all materials relating to the proposal(s) may be obtained at the meeting or by visiting the Division's Internet Web site at <http://fid.nv.gov/> or by contacting the Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120. A reasonable fee for copying may be charged. Members of the public who would like additional information about the proposed regulation may contact Mary Young, Deputy Commissioner, at (702)486-4120, or via e-mail to [fidmaster@fid.state.nv.us](mailto:fidmaster@fid.state.nv.us)

Notice of the meeting was provided via electronic means to all persons on the e-mail lists for noticing of administrative regulations maintained by the Division and licensees this regulation affects. This *Notice of Public Meeting* was posted to the agency's Internet Web site at [http://fid.nv.gov/Opinion/Proposed\\_Regulations/](http://fid.nv.gov/Opinion/Proposed_Regulations/), the Nevada Legislature's Internet Web site at <http://www.leg.state.nv.us>, and at the following locations:

Attn: Public Posting  
Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Nevada State Business Center  
3300 W. Sahara Avenue  
Las Vegas, Nevada 89102

Financial Institutions Division  
3300 W. Sahara Avenue, Suite 250  
Las Vegas, Nevada 89102

Financial Institutions Division  
1755 East Plumb Lane, Suite 243  
Reno, Nevada 89502

Attn: Public Posting  
Nevada State Library & Archives  
100 North Stewart Street  
Carson City, Nevada 89701

Attn: Public Posting  
Nevada Dept. of Business & Industry  
1830 College Parkway, Suite 100  
Carson City, Nevada 89706

Nevada Public Notice website:  
[www.notice.nv.gov](http://www.notice.nv.gov)

Attn: Public Posting  
Grant Sawyer Building  
555 E. Washington Avenue  
Las Vegas, Nevada 89101

Nevada Legislature website:  
[www.leg.state.nv.us/App/Notice/A/](http://www.leg.state.nv.us/App/Notice/A/)



## **HEARING AGENDA**

The State of Nevada, Department of Business and Industry, Financial Institutions  
Division

**March 23, 2022 • 10:00 a.m.**

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation and the adoption of Chapter 649 of the Nevada Administrative Code (“NAC”), LCB File No. R055-21, dated February 11, 2022.

1. Open Hearing: R055-21.
2. Public comment.
3. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R055-21  
NRS 649 Collection Agencies

4. Adoption of Proposed Regulation R055-21 (For Possible Action)
5. Public Comment.
6. Close Hearing: R055-21. (Adjournment)

Supporting public material for this workshop may be requested from Mary Young, Deputy Commissioner, Financial Institutions Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 or [fidmaster@fid.state.nv.us](mailto:fidmaster@fid.state.nv.us)

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and, discussion relating to an item may be delayed or continued at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public comment may be limited to three minutes per speaker. Members of the public are encouraged to submit written comments for the record.

**REVISED PROPOSED REGULATION OF THE  
COMMISSIONER OF FINANCIAL INSTITUTIONS**

**LCB File No. R055-21**

February 11, 2022

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

AUTHORITY: §§ 1-9, NRS 649.053.

A REGULATION relating to financial institutions; requiring a collection agency to send a medical debtor notification of certain information relating to a medical debt; requiring a collection agency to satisfy certain requirements relating to an action to collect a medical debt; requiring a collection agency to maintain written verification of its compliance with certain laws governing the collection of medical debts; revising provisions governing the use of machine-derived form letters by a collection agency; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

In 2021, the Nevada Legislature passed Senate Bill No. 248, which requires a collection agency to send to a medical debtor, not less than 60 days before taking any action to collect a medical debt, written notification which sets forth certain information about the debt. (Senate Bill No. 248, chapter 291, Statutes of Nevada 2021, at page 1668)

**Section 2** of this regulation defines the term “60-day notification.”

**Section 3** of this regulation sets forth the activities which the Commissioner of Financial Institutions interprets as being included within the term “action to collect a medical debt.”

**Section 4** of this regulation: (1) requires a collection agency to send a 60-day notification to a medical debtor when a medical debt is assigned to the collection agency for collection; and (2) sets forth the contents which must be included in the notification.

**Section 5** of this regulation requires a collection agency which is collecting a medical debt on behalf of a hospital to send to the medical debtor, not later than 5 days after the expiration of the 60-day notification period, a written notice of the legal impact of a payment or agreement to pay the debt.

**Section 6** of this regulation: (1) prohibits a collection agency from taking any action to collect a medical debt less than 60 days after mailing a 60-day notification;

and (2) requires the collection agency to comply with certain state and federal laws and regulations.

**Section 7** of this regulation requires a collection agency to maintain written verification of its compliance with provisions of existing law governing the collection of medical debts.

**Section 8** of this regulation makes a conforming change to indicate the placement of **section 2** in the Nevada Administrative Code. --2-- LCB Draft of Revised Proposed Regulation R055-21

Existing regulations require a collection agency to seek and obtain prior written approval from the Commissioner of Financial Institutions before using any machine-derived form letter. (NAC 649.280) **Section 9** of this regulation revises these provisions to: (1) require all machine-derived form letters relating to debt that is past due to be submitted to the Commissioner during an examination or investigation or upon request by the Commissioner or the Commissioner's designee; (2) prohibit the use of a machine-derived form letter that was found to be deficient or in violation of state or federal law until the deficiency or violation has been corrected and the machine-derived form letter has been approved by the Commissioner; (3) provide that all machine-derived form letters and associated documents relating to their mailing are considered records for the purposes of provisions of existing law which require a collection agency to retain its records and authorize the Commissioner to examine those records; and (4) provide that the Commissioner deems a 60-day notification to be a machine-derived form letter for the purposes of these provisions.

**Section 1.** Chapter 649 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this regulation.

**Sec. 2.** *“Sixty-day notification” or “60-day notification” means the written notification which a collection agency is required to send to a medical debtor not less than 60 days before taking any action to collect a medical debt pursuant to section 7 of Senate Bill No. 248, chapter 291, Statutes of Nevada 2021, at page 1669 (NRS 649.366).*

**Sec. 3. 1.** *For the purposes of sections 7 and 7.5 of Senate Bill No. 248, chapter 291, Statutes of Nevada 2021, at page 1669 (NRS 649.366 and 649.367), the Commissioner interprets the term “action to collect a medical debt” to mean any attempt by a collection agency or its manager, agents or employees to collect a medical debt from a medical debtor, including, without limitation:*

*(a) Placing telephone calls to the medical debtor.*

*(b) Sending letters and notices, other than a 60-day notification, to the medical debtor.*

*(c) Contacting the medical debtor by any electronic means.*

*(d) Reporting the medical debt to any credit reporting agency.*

*(e) Demanding payment of the medical debt.*

*(f) Commencing any civil action against the medical debtor.*

*2. The Commissioner does not interpret the term to include:*

*(a) Any action initiated by a medical debtor;*

*(b) The provision to a medical debtor of clarification relating to the content of a 60-day notification by a collection agency or its manager, agents or employees if the contact is initiated by the medical debtor;*

*(c) Sending verification of a medical debt to the medical debtor if requested by the medical debtor; or*

*(d) Sending a receipt to a medical debtor for a voluntary payment.*

**Sec. 4. 1.** *A collection agency must send a 60-day notification to a medical debtor when the medical debt is assigned to the collection agency unless the notification was previously sent by a prior collection agency.*

*2. In addition to the information required by section 7 of Senate Bill No. 248, chapter 291, Statutes of Nevada 2021, at page 1669 (NRS 649.366), a collection agency shall include, on the front of the 60-day notification:*

*(a) Within the body of the notification, in all capital letters and in at least a 12-point bold type or font:*

***THIS IS NOT A DEMAND FOR PAYMENT.***

*(b) Within the body of the notification, in at least a 12-point bold type or font:*

*This notice is to inform you that your medical debt described herein was [assigned to OR obtained by] us, [insert name of collection agency]. As provided in sections 2 to 8.5, inclusive, of Senate Bill No. 248, chapter 291, Statutes of Nevada 2021, at pages 1668, 1669 and 1670 (NRS 649.036 to 649.369, inclusive), we will not take any action to collect this debt within 60 days after the date of this letter. Any payments made toward the debt during this timeframe are considered voluntary and will not void the 60-day notification period described above.*

*This medical debt will not be reported to any credit reporting agency during the 60-day notification period.*

*Any voluntary payment you make toward this medical debt during the 60-day notification period will not extend the applicable statute of limitations, is not an admission of liability and shall not be construed as a waiver of any defense to the collection of the medical debt.*

*This notification is not intended to constitute a communication under the federal Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq.*

*3. A 60-day notification sent pursuant to this section and section 7 of Senate Bill No. 248, chapter 291, Statutes of Nevada 2021, at page 1669 (NRS 649.366), is*

*not intended to constitute a communication under the federal Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq.*

*4. The Commissioner deems a 60-day notification to be a machine-derived form letter for the purposes of NAC 649.280.*

*Sec. 5. If applicable, a collection agency must provide to a medical debtor the written notice required by subsection 2 of NRS 649.332 not later than 5 days after the expiration of the 60-day notification period.*

*Sec. 6. A collection agency shall not take any action to collect a medical debt less than 60 days after the date of mailing of the 60-day notification related to that debt. After the 60-day period has elapsed, the collection agency may proceed to attempt to collect the medical debt in compliance with the provisions of:*

- 1. This chapter;*
- 2. Chapter 649 of NRS;*
- 3. The federal Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq.;*
- 4. The federal Fair Credit Reporting Act, 15 U.S.C. §§ 1681 et seq.; and*
- 5. Any other state law relating to medical debt.*

*Sec. 7. A collection agency shall keep written verification of its compliance with sections 2 to 8.5, inclusive, of Senate Bill No. 248, chapter 291, Statutes of Nevada 2021, at pages 1668, 1669 and 1670 (NRS 649.036 to 649.369, inclusive), as part of its records for an account even if a different collection agency provided the required 60-day notification for that account.*

**Sec. 8.** NAC 649.010 is hereby amended to read as follows:

649.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 649.013 to 649.040, inclusive, *and section 2 of this regulation* have the meanings ascribed to them in those sections.

**Sec. 9.** NAC 649.280 is hereby amended to read as follows:

649.280 1. All machine-derived form letters *relating to debt that is past due* must be submitted to the Commissioner ~~[of Financial Institutions]~~ for review ~~[and approval before their actual use by the collection agency.]~~ *during an examination or investigation or upon request by the Commissioner or a designee of the Commissioner.*

2. ~~[No]~~ A collection agency ~~[may]~~ *shall not* use any machine-derived form letter ~~[unless it has received prior]~~ *that was found to be deficient or in violation of state or federal law during an examination or investigation until the deficiency or violation has been corrected. The corrected machine-derived form letter must be submitted to the Commissioner for review and* written approval ~~[from the Commissioner.]~~ *before use by the collection agency.*

3. *All machine-derived form letters, including a copy of each letter that has been returned as undeliverable along with the returned envelope or a record from a*

*third-party delivery service evidencing the return, and any proof of mailing or proof of delivery are considered records for the purposes of NRS 649.335.*

*4. The Commissioner deems a 60-day notification to be a machine-derived form letter for the purposes of this section.*

**SMALL BUSINESS IMPACT STATEMENT FOR PROPOSED REGULATIONS BY  
THE FINANCIAL INSTITUTIONS DIVISION (Division)  
TO SENATE BILL (SB) 248 (Chapter 649)  
MEDICAL DEBT COLLECTION  
September 29, 2021**

**1. Small Business Impact Statement pursuant to NRS 233B.0609:**

**(a) A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

**(I) Solicitation of affected small businesses.**

The Division sought comments in accordance with NRS 233B.0608 for the purpose of considering whether as a result of the proposed regulations, there may be a direct and significant economic burden upon small business (defined as fewer than 150 employees) or if the regulations will directly restrict the formation, operation or expansion of a small business seeking to those engaged in or who desire to engage in the business of extending credit to ensure that there is established in this State an adequate, efficient and competitive service available to the general public.

The Division composed the solicitation list from current licensees under Nevada Revised Statutes Chapter 649 and known interested parties. In turn, the Division solicited comments on the proposed regulations for SB 248 from the above lists by emailing a notice and questionnaire. Additionally, a copy of the full text of the proposed regulations was emailed and posted to the Division's website. The solicited comments were used to formulate this Small Business Impact Statement.

**(II) Summary of responses.**

See attached spreadsheet.

**(III) Obtain a copy of the summary.**

This Small Business Impact Statement was posted on the NFID website dated October 6, 2021 along with a Notice of Workshop for October 26, 2021. Interested persons may also obtain a copy of the Small Business Impact Statement by contacting the:

**Office of the Commissioner  
Financial Institutions Division  
3300 W. Sahara Avenue, Suite 250  
Las Vegas, NV 89102  
Email: FIDMaster@fid.state.nv.us  
Telephone: (702) 486-4120  
Fax: (702) 486-4563  
Website: <http://fid.nv.gov>**

**(b) The manner in which the analysis was conducted.**

Pursuant to NRS 233B.0608(1), the Division made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business; or directly restrict the formation, operation or expansion of a small business. For this effort, the Division sent a copy of the draft regulations and a Small Business Impact Questionnaire to all known interested parties for review and invited written comment regarding the impact to the entities, NFID took all comments submitted into consideration.

Following review and analysis of the authorizing statutory language (Senate Bill 248) and written comment from the industry, the Division has determined that the proposed regulation is unlikely to impose a direct and significant economic burden upon a small business; result in any direct or indirect adverse effects on small business; or directly restrict the formation, operation, or expansion of a small business. Majority of the comments received were directed towards S.B.248 and not the proposed regulation.

**(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate including, without limitation:**

**(1) Both Adverse and Beneficial effects:**

**(I) ADVERSE EFFECTS:**

Medical debt collectors are concerned of the adverse effects that S.B.248 will impose on the industry, including their medical clients and medical debtors. The comments were more directed towards S.B.248 and not the proposed regulations.

**(II) BENEFICIAL EFFECTS:**

Medical debt collectors did not provide beneficial comments regarding the proposed regulations.

**(2) Both Direct and Indirect effects:**

**(I) DIRECT EFFECTS:**

Medical debt collectors are concerned of the adverse effects that S.B.248 will impose on the industry, including their medical clients and medical debtors. The comments were more directed towards S.B.248 and not the proposed regulations.

**(II) INDIRECT EFFECTS:**

Medical debt collectors are concerned of the adverse effects that S.B.248 will impose on the industry, including their medical clients and medical debtors. The loss in revenue may impact medical facilities. The comments were more directed towards S.B.248 and not the proposed regulations.

**(d) A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

The Division has received a total of fifty-five (55) responses to the solicitation sent to all interested parties. The Division has considered and analyzed all submitted comments and addressed those comment in the attached summary of response spreadsheet. The majority of the comments were more directed towards S.B. 248 and not the proposed regulation, the Division cannot change current law but has drafted the proposed regulation to mitigate concerns from the industry and provide clarification.

**(e) The estimated cost to the agency for enforcement of the proposed regulation.**

The Division does not foresee the need for any additional funding or budget increase.

**(f) If the proposed regulation provides a new fee or increases 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 does not provide for a new fee or increase to an existing fee.

**(g) If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

The proposed regulations do not duplicate any existing federal, state, or local standards regulating the same activity. The proposed regulation and S.B. 248 work in conjunction with existing federal and state laws.

**(h) The reasons for the conclusions of the agency regarding the impact of the regulation on small businesses.**

This is a result of the passage of new legislation, SB 248. The Division can only lessen the impact on small business by proposing regulation that provides clarification to the industry. The regulation itself does not impose an economy burden to small business.



To the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this Small Business Impact Statement was prepared properly and accurate.



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Sandy O'Laughlin  
Commissioner  
Financial Institutions Division  
State of Nevada, Department of Business and Industry

**Medical Debt Collection-  
Direct or Indirect Impact Item  
From Small Businesses**

**Number/  
and %**

**Direct or  
Indirect**

**Adverse or  
Beneficial**

**NFID Answer/Mitigation**

<p>S.B.248 requires the notice to be mailed via certified letter. The cost and added burden of this process is cost prohibitive. Increased cost to prepare and mail letters, and to maintain copies of all mail returns.</p>	<p>31 (56.4%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.</p>
<p>Agencies foresee a decrease in collection rates and revenue due to the 60-day delay and certified mailing. The cost to mail the letters nullifies the ability for the accounts to be profitable.</p>	<p>15 (27.3%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.</p>
<p>The requirement of sending communication via registered or certified mail decreases the likelihood of actual notice arriving to consumers. First class mail is sufficient.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.</p>
<p>S.B. 248 will have a damaging impact to agency employees. Offering employee raises will be become difficult, if not impossible, as will offering benefits (health insurance, life, dental, vision and paid time off).</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>This would be a business decision made by a collection agency. The Nevada Legislature enacted the law, S.B.248. NFID cannot change a current law but can promulgate regulations to support the law. This comment is more directed towards S.B.248 and not the proposed regulations.</p>

Negative impact on the creditor and potentially the consumer.	4 (7.3%)	Direct	Adverse	This comment refers to creditors and consumers and not a collection agency identifying as a small business nor is the comment received from a specific creditor to determine if the creditor is a small business as defined in NRS 233B.0382. Therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
Agencies anticipate they will be forced to halt collection activity in Nevada.	1 (1.8%)	Direct	Adverse	This would be a business decision made by a collection agency. The Nevada Legislature enacted the law, S.B.248. NFID cannot change a current law but can promulgate regulations to support the law. This comment is more directed towards S.B.248 and not the proposed regulations.

The mandated delay in contacting the consumer will result in less revenue collected for clients and less revenue for the collection agency. Anticipate losing clients due to the inability to absorb these costs and losses created by S.B. 248.	5 (9.1%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day waiting period. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Delayed consumer communications: The 60 day waiting period effects the flow of consumer communications because the initial 60 days of an account cycle is the most impactful time. This period allows for an uninterrupted account flow from creditor to agency to consumer. Enacting a 60 day wait disrupts the flow unnecessarily that creates a break in communication and causes more confusion for a consumer.	3 (5.5%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day waiting period. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Th 60-day limitation on communication adversely impacts business because not only does it hurt the consumer as an account cannot be resolved early, before credit reporting, but the consumer is unaware of the obligations for that 60-day period.	1 (1.8%)	Indirect	Adverse	This comment refers to consumers and not a collection agency identifying as a small business, therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
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Limiting this proposed language to medical debt only: This wrongly applies a restriction to one subsection of the debt collection industry, therefore impacts one group of business more than others. To delay revenue recoveries and add more	1 (1.8%)	Direct	Adverse	The Nevada Legislature enacted the law, S.B. 248, which applies to medical debt collection. NFID cannot apply S.B.248 to any other type of debt.
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cost burdens for healthcare facilities who undoubtedly suffered, and continue to suffer, financially during COVID seems discriminatory.				
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The obvious increase in cost S.B. 248 provides, to do the same job as an agency does in other states.	1 (1.8%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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The proposed regulations do not address most of the issues regarding vagueness of the underlying statute. In fact, instead of clarifying the numerous vague points in the statute, the proposed regulations create additional requirements not authorized by the statute. The regulations add time and hours to prepare and save data in addition to the expenses already imposed. Also, because the proposed regulations do not fix the many vague and ambiguous parts of the statute, licensees will be subjected to numerous lawsuits.	1 (1.8%)	Direct	Adverse	This comment did not provide a specific section of the regulation nor was it specific enough for NFID to formulate a response.
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Loss of clients, loss of revenue, added overhead costs, labor costs, delayed recovery, and income.	3 (5.5%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Not being able to take any action to collect a debt, an increase in customer service-related complaints since cannot commute information.	1 (1.8%)	Indirect	Adverse	The Nevada State Legislature enacted the law, S.B.248, which requires no action to be taken on medical debt less than 60 days. NFID cannot remove this requirement but can promulgate regulations to support the law.
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Confusion created between S.B.248 and federal law	1 (1.8%)	Indirect	Adverse	The Nevada State Legislature enacted the law, S.B.248, which requires no action to be taken on medical debt less than 60 days. NFID cannot change current law but can promulgate regulations to support the law.
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S.B. 248 will force a reduction in staff of collection agencies.	4 (7.3%)	Direct	Adverse	This would be a business decision made by a collection agency. The Nevada State Legislature enacted the law, S.B. 248. NFID cannot change a current law but can promulgate regulations to support the law. This comment is more directed towards S.B.248 and not the proposed regulations.
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The 60-day letter will cause confusion and false sense of urgency for medical debtors. The 60-day letter will be considered as a communication to the medical debtor because it is a notice from a collection agency.	2 (3.6%)	Indirect	Adverse	The Nevada State Legislature enacted the law, S.B.248, which requires no action to be taken on medical debt less than 60 days. NFID cannot remove this requirement, however, the proposed regulations provides clarification through sections 3, 4 and 6. Section 3 defines "action to collect a medical debt" and section 4 states "...such written notification to a medical debtor is not intended to be a communication under the Fair Debt Collection Practices Act." In addition, section 6 also requires a 60-day letter to have the disclosure: This is not intended to be a communication under the Fair Debt Collection Practices Act.
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<p>The certified mail bold text that is required is deceptive and misleading because it creates a false sense of urgency when the letter is received by the medical debtor.</p>	<p>1 (1.8%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>The verbiage required to be in at least 12-point bold type clearly explains to a medical debtor that the 60-day notice is not a demand for payment, no action will be taken to collect the debt within 60 days of the letter, the debt will not be reported to any credit reporting agency during the 60-day notification period, a voluntary payment may be made and will not extend the applicable statute of limitation and is not an admission of liability, and is not intended to be a communication under FDCPA. It's required to be in bold so a medical debtor can easily see the important information.</p> <p>The verbiage in bold text should not create a sense of urgency since it's a consumer protection law being explained in a conspicuous manner.</p>
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<p>Increase costs and reduction in staff will impact medical clients because agencies will not be able to accept small balance accounts and will have to increase rates.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>This comment refers to medical clients and not a collection agency identifying as a small business nor is the comment received from a specific creditor to determine if the creditor is a small business as defined in NRS 233B.0382. Therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.</p>
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<p>The inability to communicate with a debtor in the 60-day period and the confusion the S.B. 248 letter will cause debtors will hinder an agency' reputation with debtors.</p>	<p>1 (1.8%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>The Nevada State Legislature enacted the law, S.B.248, which requires no action to be taken on medical debt less than 60 days.. NFID cannot remove this requirement, however, the proposed regulations provide clarification through sections 3, 4 and 6. Section 3 defines "action to collect a medical debt" and section 4 states "...such written notification to a medical debtor is not intended to be a communication under the Fair Debt Collection Practices Act." In addition, section 6 also requires a 60-day letter to have the disclosure: This is not intended to be a communication under the Fair Debt Collection Practices Act.</p>
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<p>Since cannot communicate within 60 days, instead of seeking telephone communication, will report to credit agency on 61st day harming a consumer.</p>	<p>1 (1.8%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>This comment refers to consumers and not a collection agency identifying as a small business, therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.</p>
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<p>Will force an agency to not collect medical debt from those located in Nevada.</p>	<p>6 (10.9%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>This would be a business decision made by a collection agency. The Nevada State Legislature enacted the law, S.B. 248. NFID cannot change a current law but can promulgate regulations to support the law. This comment is more directed towards S.B.248 and not the proposed regulations.</p>
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<p>Section 3 of the draft proposed regulation purports to allow medical debt collectors to respond to inquiries from medical debtors during the 60-day notice period; however, it does not define the parameters of what is and is not permitted during such responsive conversations or letters. Specifically, while section 3(e) prohibits debt collectors from “demanding payment,” it does not specify what “demanding payment” actually means. For instance, if a debtor asks how they might clear the balance and what options they may have, is a collector permitted to provide the different payment options, to set up a payment plan, or offer a settlement? Must they wait to do that until after the 60 days have passed, even though the debtor wants to discuss the matter much sooner? Thus, if a consumer contacts a debt collector in response to the 60-day letter, although the debt collector may respond as authorized by draft regulation Section 3(2)(a), there is no guidance as to how a debt collector should respond if the consumer questions the balance since any potential answer the debt collector gives could be considered a “demand for payment.” Out of an abundance of caution, collectors are likely to respond by saying that they are not permitted to discuss the balance until after the 60-day notice period has expired.</p>	<p>16 (29.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Section 3 of the draft proposed regulation defines "action to collect a medical debt" which list activities that are and are not included in the action of collecting a medical debt for the purpose of S.B.248. To answer the specific subsection in question 3(e) Demanding payment and the specific scenario provided, as stated in S.B. 248 and the proposed regulations, if a medical debtor initiates the contact and wants to make a voluntary payment, a collection agency may accept a payment, provide payment options and arrangements and send a receipt for the voluntary payment. Answering questions about the debt posed by a medical debtor is not considered demanding payment. If a consumer questions the balance, a verification of the debt can be sent pursuant to section 3(2)(c).</p>
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<p>Section 4 of the draft proposed regulation harms consumers by depriving them of their federal rights under the Fair Debt Collection Practices Act (FDCPA). As currently phrased, the regulations now prohibit a debt collector from including FDCPA disclosures. Prohibiting collection agencies from providing consumers notice of their federal rights will harm consumers because it will deprive them of 60 days in which they could have exercised those rights. More importantly, in response to the 60-day notice, some may choose to voluntarily pay the medical debt without knowing they had any federal rights at all. While officials in Nevada may believe that this correspondence would not be considered a communication in connection with a debt, thus sidestepping federal law disclosure requirements, it is not clear that Nevada officials have the ability to make such a determination regarding federal law – that would be left to the federal regulators and the courts.</p>	<p>16 (29.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>This comment refers to consumers and not a collection agency identifying as a small business, this is a survey to determine how the proposed regulations will impact small businesses. However, please note S.B.248 nor the proposed regulation does not replace any federal law concerning medical debt.</p>
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<p>The certified mail requirement harms consumers. The draft proposed regulations continue to require the first collection agency to forward its 60-day notice by certified mail. However, certified mail creates several problems for debtors. First, it creates a false sense of urgency. Next, it makes it less likely that the debtor will actually receive the notice.</p>	<p>16 (29.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>This comment refers to consumers and not a collection agency identifying as a small business, therefore, NFID does not provide a response since this is a survey to determine how the proposed regulations will impact small businesses.</p>
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<p>Certified mail is typically used for urgent communications where proof of delivery is paramount. Debtors, particularly those who are having difficulty paying their bills, will likely consider a certified notice to be a precursor to litigation, garnishment, or other serious action against them. Debtors receiving such notices will feel more compelled to address the outstanding balance, which is seemingly opposite of what SB248 and the regulations intend. Further, oftentimes the recipient of certified mail will not receive the mailing. If the debtor is not home, which is often the case when mail is delivered, the delivery person must leave an attempted delivery (“pink”) slip advising that there is mail that needs to be picked up at the post office. This creates an added stress and burden on a consumer to travel to the post office during regular business hours to retrieve the piece of mail. If they work, that may be difficult or impossible. Given that these types of mail often contain bad news, many debtors simply choose not to accept delivery of certified mail even if they could get to the post office. Thus, the certified requirement will make it less likely that the debtor will be notified of the outstanding debt.</p>				
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<p>The draft proposed regulations do not address the harm to consumers who attempt to pay via mail during the 60-day period. The mandated disclosures of Section 7.5 appear to apply to voluntary payments made over the phone, where a collection representative can provide the disclosures verbally. Section 7.5 fails to address parameters regarding mailed-in payments. Assuming Section 7.5 contemplates these disclosures being sent to the medical debtor via a letter, Section 7.5 fails to address how long a collection agency must wait before depositing the payment. Without additional guidance, a collection agency can only comply with Section 7.5 for mailed-in payments by (a) sending a letter with the disclosures and waiting until the expiration of the 60-day notice period to deposit the payment; or (b) returning the payment to the medical debtor with the disclosures asking the medical debtor to remail the payment. Since the debtor has clearly attempted to make the payment and clear the balance, this will both frustrate the debtor and harm them by not accepting a payment when that is what both the creditor and the debtor desire. Any medical debtor paying by check who does not routinely balance their checkbook may have the payment withdrawn well after they sent it, causing overdraft fees or other penalties; or simply the frustration of having an</p>	<p>16 (29.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>A medical debtor may make a voluntary payment. SB248 must be complied with regarding the disclosures. An agency can add the language for voluntary payment on their website and mail a payment receipt to the debtor confirming the voluntary payment was received with the required language and the required disclosures.</p>
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<p>unexpected withdrawal. Further, asking medical debtors to remail a payment to ensure they received the disclosures will cause medical debtors to incur the cost of mailing twice and the frustration of making the payment twice.</p>				
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<p>The draft proposed regulations do not cure the undue stress consumers will suffer caused by requiring medical debt collectors who do not credit report to provide the credit reporting disclosure. Section 7.5 requires collection agencies to notify a medical debtor who wishes to make a voluntary payment that “the medical debt will not be reported to any credit reporting agency during the 60-day notification period.” This statement leaves the impression that after the 60-day notice period, the debt will be reported to the credit reporting agencies. For a variety of reasons, many collection agencies do not report medical debt to credit reporting agencies. Requiring collection agencies to make this disclosure, phrased in this manner, even where the debt will not be reported to a credit bureau, will cause undue stress and confusion to consumers concerned about maintaining their credit. Further, by requiring this disclosure phrased in this manner, a consumer may choose to pay a medical bill to prevent it from being reported on their credit, even where the</p>	<p>16 (29.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Pursuant to S.B. 248 section 8.5, the protections set forth in sections 7, 7.5 and 8 of S.B. 248 are for the benefit of medical debtors and cannot be waived. The disclosure must be made to the debtor. Suggested language:</p> <p><i>Pursuant to NRS 649, medical debt cannot be reported until 60 days from the date of the letter. However, ABC Collection Agency does not report to credit reporting agencies.</i></p>
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collection agency will never report the debt.				
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<p>Defining “Action to collect a debt” may have an adverse effect if 1) defined in a manner inconsistent with FDCPA definitions, both for training and compliance purposes 2) defined in a manner that is broader than FDCPA definitions 3) defined in a way that would prevent communication to accept voluntary payments from consumers or complicate the training that collectors receive as part of their FDCPA training (in that, every employee would need to be re-trained to follow another set of rules that is the exact opposite of the debt collection warnings they are currently trained to give when communicating with a consumer).</p>	1 (1.8%)	Direct	Adverse	S.B.248 nor the proposed regulation does not replace any federal law concerning medical debt, therefore, an adverse effect should not occur.

<p>In the event that a consumer chooses to ignore the letter, not be honest regarding receipt of the letter, does not claim or is not available for delivery of the letter, it causes a risk of suit or threatened suit to agency that can end up costing the agency in both attorney fees and settlement/payout for damages or violation.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The 60-days starts from the date of mailing (the next day is day 1). The process is: an agency is assigned a debt, mails out the required notice, an agency must wait 60 days, when the 60-days has ended then an agency may proceed to attempt to collect the debt as normal and in compliance with all other provisions in S.B. 248, NRS and NAC 649, and FDCPA, no matter what the debtor does on their end.</p> <p>All documentation, including proof of mailing of the certified/registered letter(s) must be retained per the record retention policy in NRS 649.335. If a return receipt/certified card is not retained or received, the online tracking print-out and the tracking number must be retained for NFID to review during an examination.</p>
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<p>If the content required in the letter is too detailed as to account information, this will cause a delay in sending the letter (in addition to the 60-day notice period) because the agency will need to not only enter the account into its debt collection software system, but it will then need to be sure that its software system is capable of reproducing the information needed for the production of the letter.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The content of the letter is required by S.B.248 and by future approved regulations.</p>
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<p>The more detailed the letter the more room for error there is, which then is a potential risk to the agency for legal action. For example: If the balance assigned for collection is \$100 and a voluntary payment was made to either the agency or the client the day the letter is printed resulting in a lesser balance, will the higher balance in the 60-day notice letter result in a violation? If the letter must include the date of service but the client assigned a charge that included multiple dates of service (client error, not agency) and the letter is sent out with a single date of service. Will this will be viewed as agency's violation? It is inherently risky to put something in writing that is capable of being out dated by the time it is sent. Collection agencies already assume this risk when sending the required 1692g debt notice, and sending a second letter increases the risk for error and cost for legal action to the agency. The agency and client will need to basically "double check" the debt information for accuracy prior to the expiration of the 60-day waiting period because in that time if the account was paid or adjusted in any way, agencies attempt may be an FDCPA violation, resulting in a review of the accounts upon placement and upon expiration of the 60-day period/1692g notice.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>An agency sends out the notice with the information and validation of debt it is provided by the client on day 1. Any factors outside the control of an agency should not impact this normal collection practice. An agency must still comply with all state and federal laws and regulations.</p>
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Timing of when the 60-day notification letter shall be sent, will may make medical clients less likely to place any accounts for collection given that they can directly collect past due balances without the same restrictions that an agency faces. This could result in a down turn of business especially for those that have medical clients as a large portion of their clientele.	1 (1.8%)	Direct	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Clients will lose confidence in our ability to generate revenue and stop using our service. Employment cuts if our business diminishes. As revenues decrease, there is a possibility of closing our branch office. In turn, that would put our Nevada employees out of work, rent space revenue for our property owner gone.	1 (1.8%)	Indirect	Adverse	This would be a business decision made by a collection agency. The Nevada State Legislature enacted the law, S.B. 248. NFID cannot change a current law but can promulgate regulations to support the law. This comment is more directed towards S.B.248 and not the proposed regulations.
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Healthcare systems must increase price to compensate for reduction in revenue.	1 (1.8%)	Indirect	Adverse	This comment refers to the healthcare system and not a collection agency identifying as a small business, therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
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The 60-day requirement will cost agencies more money with no return.	2 (3.6%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day waiting period. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Decrease in staff and office rental space as earnings from commission deteriorate.	1 (1.8%)	Indirect	Adverse	This would be a business decision made by a collection agency. The Nevada State Legislature enacted the law, S.B. 248. NFID cannot change a current law but can promulgate regulations to support the law. This comment is more directed towards S.B.248 and not the proposed regulations.
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Addition costs for programming and staff hours due to the mail requirements since currently done through a third-party corresponding with the postal service. Would need to purchase equipment, hire staff to sort, collate and recordkeeping.	1 (1.8%)	Direct	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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System changes and configurations will be required to ensure the FDCPA required validation notice and/or S.B.248 letter is sent timely.	2 (3.6%)	Direct	Adverse	It is an agency's business decision to determine what software programming is needed to ensure compliance with all laws and regulations.
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Delayed payments due to the 60-day pause.	2 (3.6%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day waiting period. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Unnecessary litigation due to conflicting information in S.B. 248 and the FDCPA.	4 (7.3%)	Indirect	Adverse	S.B. 248 does not replace FDCPA. An agency can comply with both laws without conflict. CFPB Reg F Section 1006-104 states, in part, "A disclosure required by State law is not inconsistent with the FDCPA or Regulation F if the disclosure describes a protection that such law affords any consumer that is greater than the protection provided by the FDCPA or Regulation F."
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Medical providers will have to sue consumers to recover costs.	1 (1.8%)	Indirect	Adverse	This comment refers to consumers and medical clients and not a collection agency identifying as a small business nor is the comment received from a specific client to determine if the client is a small business as defined in NRS 233B.0382. Therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
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Providers will be forced to assign accounts to collections sooner than the general 120 days from date of service.	1 (1.8%)	Indirect	Adverse	This comment refers to medical providers and not a collection agency identifying as a small business nor is the comment received from a specific medical provider to determine if the medical provider is a small business as defined in NRS 233B.0382. Therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
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Increased risk of lawsuits due to conflict between state and federal laws.	3 (5.5%)	Direct	Adverse	S.B. 248 does not replace FDCPA. An agency can comply with both laws without conflict. CFPB Reg F Section 1006-104 states, in part, "A disclosure required by State law is not inconsistent with the FDCPA or Regulation F if the disclosure describes a protection that such law affords any consumer that is greater than the protection provided by the FDCPA or Regulation F."
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Will no longer be able to perform recovery work for healthcare clients in Nevada. Will negatively impact healthcare providers.	1 (1.8%)	Direct	Adverse	This comment refers to healthcare clients and not a collection agency identifying as a small business nor is the comment received from a specific healthcare client to determine if the medical provider is a small business as defined in NRS 233B.0382. Therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
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Potential lawsuits on accounts placed prior to the effective date could negatively impact business	1 (1.8%)	Indirect	Adverse	S.B. 248 became effective July 1, 2021. NFID cannot provide legal advice, however, NFID will not enforce S.B. 248 on accounts that existed prior to the effective date.
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Loss of business in the State of Nevada due to onerous requirements.	1 (1.8%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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60 day period is too long. Delays ability to collect for the client	1 (1.8%)	Direct	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day waiting period. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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The 60-day delay may negatively impact the number of patients willing to make a payment.	1 (1.8%)	Direct	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day waiting period. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Increase expense of letter development, and the necessary man-hours necessary for new strategy implementation.	1 (1.8%)	Indirect	Adverse	The Nevada Legislature enacted the law, S.B.248, which requires the 60-day notice to be sent by certified mail. NFID cannot remove this requirement from the law but can promulgate regulations to support the law.
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Probable loss of Nevada-based medical providers due to small businesses inability to comply with NRS 649.332(2).	1 (1.8%)	Indirect	Adverse	This comment refers to healthcare clients and not a collection agency identifying as a small business nor is the comment received from a specific healthcare client to determine if the medical provider is a small business as defined in NRS 233B.0382. Therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
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Small business medical providers depend on a collection agency to support the credit-based business model. Without a cost effective way to collect past due accounts, small business healthcare provider partners will, out of necessity, restrict credit to those who need it most.	1 (1.8%)	Direct	Adverse	This comment refers to healthcare clients and not a collection agency identifying as a small business nor is the comment received from a specific healthcare client to determine if the medical provider is a small business as defined in NRS 233B.0382. Therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses.
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<p>Section 4 of the proposed regulations contains language that suggests written notification is required at the time a medical debt is placed with a collection agency, regardless of whether the agency intends to engage in any collection efforts on that account in the future. We would note that some agencies may collect small balance healthcare accounts where the commission received on an account would be less than the cost of sending a notice via certified mail. An agency should have the flexibility to decide that account isn't worth pursuing or wait until additional accounts may be referred (to increase the balance to justify the cost of mailing), so long as the agency doesn't engage in collection efforts on the account.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The Nevada Legislature enacted the law, S.B.248, which requires the 60-day waiting period. NFID cannot remove this requirement from the law. In order for an agency to collect on the date, they must wait the 60-days. The 60-days starts from the date of mailing (the next day is day 1). The process is: an agency is assigned a debt, mails out the required notice, an agency must wait 60 days, when the 60-days has ended then an agency may proceed to attempt to collect the debt as normal and in compliance with all other provisions in S.B. 248, NRS and NAC 649, and FDCPA.</p>
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<p>Sending a 60-day notice that conveys information about the debt and then waiting 60 days to send the notice required by 15 USC 1692g will almost certainly subject the company to increased litigation. While the proposed regulations state that the 60-day notice is not intended to be a communication under the FDCPA, a state agency's opinion is not typically binding on a federal court when analyzing compliance with a federal statute. Further, even if there would be a meritorious</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The Nevada Legislature enacted the law, S.B.248. NFID cannot remove this requirement from the law. S.B. 248 does not replace FDCPA. An agency can comply with both laws without conflict. CFPB Reg F Section 1006-104 states, in part, "A disclosure required by State law is not inconsistent with the FDCPA or Regulation F if the disclosure describes a protection that such law affords any consumer that is greater than the protection provided by the FDCPA or Regulation F."</p>
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<p>defense to the lawsuit based on our company's reliance, it will not stop the lawsuit from being filed and it likely subjects the company to tens of thousands of dollars in defense costs for each lawsuit. Similarly, the proposed regulations seem to contemplate that a consumer might respond to the notice by trying to make a voluntary payment on the account. However, if that contact occurs shortly after the 60-day period begins, there is yet another violation of 15 USC 1692g, where the agency provides information about a debt (i.e. the amount owed) and then cannot send the 1692g notice within five days of that communication without violating the proposed regulations. While expenses related to defending frivolous litigation are often a part of the budget for a collection agency, one such lawsuit now stands to eliminate any remaining revenue that our company could expect to recover on NV healthcare debt (after factoring in the increased mailing costs).</p>				
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<p>The cost of ensuring compliance by paying external counsel to assist in implementing a new notice requirement adds to overhead costs.</p>	<p>1 (1.8%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>It is an agency's business decision to determine if external counsel is needed to ensure compliance with law and regulation.</p>
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<p>The change to the letter approval process being part of the annual examination vs. upon creation or as needed decreases the cost in implementing a new or revised letter.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Beneficial</p>	<p>No response is required since this comment does not have an adverse effect.</p>
<p>Consumers will not be engaged or responded to in the first 60 days of the certified letter, leaving them confused and angered, if they call or write the agency with questions.</p>	<p>1 (1.8%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>Section 3 of the draft proposed regulation defines "action to collect a medical debt" which lists activities that are and are not included in the action of collecting a medical debt for the purpose of S.B.248. If a medical debtor initiates the contact and wants to make a voluntary payment, a collection agency may accept a payment, answer questions about the debt posed by a medical debtor and send verification of the debt.</p>
<p>Consumers who receive certified letters will likely respond in kind with certified mail to pay or dispute the debt, leaving an undue hardship on the consumer.</p>	<p>1 (1.8%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>This comment refers to consumers and not a collection agency identifying as a small business, therefore, NFID does not provide a response since this a survey to determine how the proposed regulations will impact small businesses under NFID's jurisdiction.</p>
<p>May create confusion and become overwhelming for consumer when combined the new Regulation F requirements. Reg F language would refer to a specific validation date and the proposed language of the 60 days. Also, the language states the disclosure must be on the front side of the letter. When using the model CFBP Reg F validation letter, state</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The disclosures to consumers should not create confusion. CFPB Reg F Section 1006-104 states, in part, "A disclosure required by State law is not inconsistent with the FDCPA or Regulation F if the disclosure describes a protection that such law affords any consumer that is greater than the protection provided by the FDCPA or Regulation F."</p>



<p>disclosures must be on the back side to receive the “safe harbor” protection. The proposed change to SB248 would not allow the protection for agencies.</p>				
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<p>The 60-day timeframe coupled with the fact the average delinquent account is not assigned to collections until at least 90 days have passed, some at 180 days, since statement date. This creates a total of 150 days-5 months until permitted a consumer to take the initiative to contact the agency. It will also prevent an agency from reaching out to offer assistance.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Section 3 of the draft proposed regulation defines "action to collect a medical debt" which lists activities that are and are not included in the action of collecting a medical debt for the purpose of S.B.248. If a medical debtor initiates the contact and wants to make a voluntary payment, a collection agency may accept a payment, answer questions about the debt posed by a medical debtor and send verification of the debt.</p>
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<p>Requirement to save an image of USPS responses would create most cost resulting from staff time, storage, processes to retain images. A response such as ‘undeliverable’ only works in the consumers benefit. If an agency is documenting the undeliverable, no other documentation or proof is needed as there would be no reason to prove otherwise. Usually, it’s collection agencies attempting to prove we did not receive an “undeliverable”.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>All documentation, including proof of mailing of the certified/registered letter(s) must be retained per the record retention policy in NRS 649.335. If a return receipt/certified card is not retained or received, the online tracking print-out and the tracking number must be retained for NFID to review during an examination. This requirement aligns with current NRS 649.</p>
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Potentially provide clarification to consumers. Doing so would minimize the time and documents needed therefore saving on cost.	1 (1.8%)	Direct	Beneficial	No response is required since this comment does not have an adverse effect on small
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For companies to remain viable, they must be able to attempt to assist the consumer in different ways. The collection industry is contingency based, controlled by an enormous amount of regulation. Collection agencies have many policies and procedures in place to protect the consumer during the collection process. Implementing the proposed language only creates confusion for the consumer and barriers for the agencies.	1 (1.8%)	Indirect	Adverse	Section 3 of the draft proposed regulation defines "action to collect a medical debt" which lists activities that are and are not included in the action of collecting a medical debt for the purpose of S.B.248. If a medical debtor initiates the contact and wants to make a voluntary payment, a collection agency may accept a payment, answer questions about the debt posed by a medical debtor and send verification of the debt.  An agency can assist a consumer within the current law and regulation.
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This law makes sense when applied to consumers who are alive but some agencies engage in almost entirely in the collection of debts from probate estates. As written, it would be virtually impossible to comply with this law, while also adhering to other NV laws, most notably, NV probate laws. SB 248 also presents conflicts with Federal law, namely the FDCPA.	1 (1.8%)	Direct	Adverse	S.B.248 and the proposed regulation does not replace any federal law or other state law concerning medical debt.
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<p>Many surviving family members make voluntary payments to resolve their deceased family members' debts, despite a specific disclosure that they are not personally liable for the debt in question. However, under SB 248, one of the conditions for accepting voluntary payment during the 60-day period is that the consumer initiates contact with the agency. In instances as described below, an agency would not be able to accept such payments, if the offer was extended with the 60-day window. This would provide terrible customer service and cause a grieving loved one to extend the time for resolving a debt that they want to resolve and to move toward closure.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Section 3 of the draft proposed regulation defines "action to collect a medical debt" which lists activities that are and are not included in the action of collecting a medical debt for the purpose of S.B.248. If a deceased medical debtor's family member initiates the contact and wants to make a voluntary payment, a collection agency may accept a payment, answer questions about the debt posed by a deceased medical debtor's family member, including- sending the verification of the debt.</p>
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<p>Subsection 5 of NRS 155.020 must file a claim with the clerk within 30 days after the mailing or 90 days after the first publication of notice to creditors pursuant to NRS 155.020, whichever is later." If a probate collection agency receives such notice within the 60-day restriction under SB 248, then an agency must either violate SB 248 and file the claim accordingly to preserve its rights under the probate statutes, or not file the claim, and forever lose its rights to collect the debt, thus causing financial harm. We do not believe that the drafters of SB 248 intended this outcome, but nonetheless, agencies are faced with it if SB 248 remains in its present form.</p>	<p>1 (1.8%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>NRS 155.020 states 90 days after publication, which provides 30-days after the 60-day pause to file a claim.</p> <p>S.B. 248 was enacted into law by Nevada State Legislature, which requires a 60-day notice to be sent certified mail. NFID cannot remove this requirement.</p>
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**SBI Response Summary:**

Total Known Interested Parties  
Solicited: 467

Total Responded with  
Comments: 55

Total Responded with N/A: 11

Total Responded with over 150  
Employees (outside the small  
business threshold): 11

Total Comments Impacting the  
SBI % (Total Known Interested  
Parties Solicited - N/A - over  
150 Employees=): **445**

% Responded/Total Solicited:  
11.8%

% Responded with  
Comments/Total Comments  
Impacting SBI: **12.4%**