AN ACT relating to financial services; prohibiting a person who is licensed to operate certain loan services from making certain short-term loans to a customer under certain circumstances; requiring a person who is licensed to operate certain loan services to verify a customer’s ability to repay the loan before making certain short-term loans to the customer; prohibiting a person who is licensed to operate certain loan services from making certain short-term loans to a customer with an annual percentage rate greater than 36 percent; requiring the Commissioner of Financial Institutions to develop, implement and maintain a database storing certain information relating to short-term loans made to customers in this State; providing that information in such a database is confidential; revising requirements for the contents of written loan agreements between licensees and customers; revising various provisions governing short-term loans; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:
Existing law establishes standards and procedures for the licensing and regulation of certain short-term loans, commonly referred to as “payday loans,” high-interest loans and title loans. (Chapter 604A of NRS) Under existing law, a high-interest loan is defined as any loan which charges an annual percentage rate of more than 40 percent. (NRS 604A.0703) Section 3 of this bill prohibits a person who is licensed under chapter 604A of NRS from making a loan which charges an annual percentage rate of more than 36 percent. Section 43 of this bill prohibits a person who is licensed under chapter 675 of NRS, which governs certain
installment loans, from making a loan which charges an annual percentage rate of more than 36 percent. Sections 6, 7, 9, 10, 12-17, 22, 23, 27-41, 44 and 47 of this bill remove references in existing law to high-interest loans which charge an annual percentage rate of more than 40 percent.

Existing law prohibits a person from making a title loan without considering whether the customer seeking the title loan has the ability to repay the title loan. (NRS 604A.450) Sections 2 and 20 of this bill: (1) prohibit a person from making a deferred deposit loan or title loan unless the person has determined that the customer has the ability to repay the loan; and (2) establishes the factors that the person making the loan must consider when determining whether a customer has the ability to repay the loan.

Under existing law, with certain exceptions: (1) the original term of a deferred deposit loan or high-interest loan must not be more than 35 days; and (2) the original term of a title loan must not be more than 30 days or, if certain requirements are met, 210 days. However, under certain circumstances, a customer who receives a deferred deposit loan, high-interest loan or title loan is authorized to rollover or extend the period for the repayment of the loan for a period of: (1) not more than 90 days after the date of the origination of the loan if the loan is a deferred deposit loan or high-interest loan; or (2) not more than 210 days if the loan is a title loan. (NRS 604A.408, 604A.445, 604A.540) In addition to authorizing extensions or rollovers of deferred deposit loans, high-interest loans and title loans, existing law authorizes a person who receives a deferred deposit loan or high-interest loan to extend the period of such loan by using the proceeds of a new loan to pay the balance of the outstanding loan. (NRS 604A.480) Sections 15 and 32 of this bill prohibit the extension or rollover of a deferred deposit loan or title loan, and section 47 of this bill repeals the provision of existing law authorizing the extension of the period of an outstanding loan by using the proceeds of a new loan to pay the balance of the outstanding loan. Because sections 15 and 32 prohibit extensions or rollovers of deferred deposit loans and title loans, sections 8, 11, 18-21, 23, 24 and 26 of this bill remove references to the extension of such loans.

Existing law prohibits a person from making more than one deferred deposit loan, single-advance, single-payment loan or high-interest loan to the same customer at one time or before any outstanding balance on an existing loan made by that licensee to the customer is paid in full unless certain conditions are satisfied. (NRS 604A.430) Section 47 of this bill repeals this provision of existing law and, instead, section 4 of this bill prohibits a licensee from making a deferred deposit loan or title loan to a customer if the customer: (1) has such a loan outstanding with any licensee; (2) has had such a loan outstanding with any licensee within the 30 days immediately preceding the making of the loan; or (3) has had three such loans outstanding with any licensee within the 6 months immediately preceding the making of the loan. To determine whether making a loan would violate this prohibition, section 4 requires a licensee to search the database developed, implemented and maintained by the Commissioner of Financial Institutions pursuant to section 4.

Section 5 of this bill requires the Commissioner to develop, implement and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans and single-advance, single-payment loans made in this State. Under section 5, a licensee who makes such loans must enter and update certain information concerning each deferred deposit loan and single-advance, single-payment loan made by the licensee. Section 5 further requires the Commissioner to charge and collect a fee not to exceed $1 from a licensee who is required to enter information into the database for each loan entered into the database to pay for the administration and operation of the database.

Existing law prohibits a person licensed under chapter 604A of NRS from conducting the business of making loans at any location in which certain other
lending business is solicited or conducted, unless the Commissioner authorizes the
licensee to do so. However, under existing law, certain mortgage brokers, mortgage
bankers and pawnbrokers may conduct business at the same place of business as a
person licensed under chapter 604A of NRS without obtaining the approval of the
Commissioner. (NRS 604A.655) Section 38 of this bill prohibits a person licensed
to make deferred deposit loans and title loans from conducting any business or
activity other than the making of deferred deposit loans and title loans. Section 38
also prohibits a person licensed to make deferred deposit loans or title loans from
carrying on business at a location within 1,320 feet from any location at which the
licensee or another licensee conducts the business of making deferred deposit loans
or title loans. Section 46 of this bill authorizes a licensee to continue to conduct
the business of lending at a location which violates this distance requirement if the
licensee is conducting that business on or before January 1, 2018, unless the
licensee ceases to conduct the business of lending at that location for 18 or more
consecutive months.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 604A of NRS is hereby amended by
adding thereto the provisions set forth as sections 2 to 5, inclusive,
of this act.

Sec. 2. 1. A licensee shall not make a deferred deposit loan
or title loan unless the licensee determines that the customer has
the ability to repay the deferred deposit loan or title loan.
2. For the purposes of subsection 1, a customer has the
ability to repay a deferred deposit loan or title loan if the customer
has a reasonable ability to repay the deferred deposit loan or title
loan, as determined by the licensee after considering and verifying
the following underwriting factors:
(a) The current or reasonably expected income of the
customer;
(b) The current employment status of the customer;
(c) The monthly residual income of the customer;
(d) The credit history of the customer;
(e) The amount due under the original term of the loan, the
monthly payment on the loan, if the loan is an installment loan, or
the potential repayment plan if the customer defaults on the loan;
(f) Any monthly payments on other obligations owed by the
customer; and
(g) Other current debt obligations owed by the customer,
including, without limitation, alimony and child support.

Sec. 3. A licensee shall not make a deferred deposit loan or
title loan if the annual percentage rate charged by the licensee is
more than 36 percent.

Sec. 4. 1. A licensee shall not make a deferred deposit loan
or title loan to a customer who:
(a) Currently has such a loan outstanding with the licensee or another licensee;
(b) Has had any such loan outstanding with the licensee or another licensee within the 30 days immediately preceding the making of the loan; or
(c) Has had a total of three or more such loans outstanding with the licensee or another licensee within the 6 months immediately preceding the making of the loan.

2. Before making a deferred deposit loan or title loan, a licensee shall search the database created pursuant to section 5 of this act for a history of loans made to the customer to determine whether making the loan would violate the provisions of subsection 1.

Sec. 5. 1. The Commissioner shall, by contract with a vendor or service provider or otherwise, develop, implement and maintain a database by which a licensee who makes a deferred deposit loan or title loan to a customer may determine:
(a) Whether the customer has such a loan outstanding with the licensee or another licensee;
(b) Whether the customer has had such a loan outstanding with the licensee or another licensee within the 30 days immediately preceding the making of the loan;
(c) Whether the customer has had a total of three or more such loans outstanding with the licensee or another licensee within the 6 months immediately preceding the making of the loan; and
(d) Any other information necessary to comply with the provisions of this chapter.

2. Any information entered into or stored by the database created pursuant to subsection 1 must be:
(a) Accessible to and usable in real time by any licensee in this State through Internet access or through alternative means, including, without limitation, by telephone; and
(b) Protected from fire, theft, loss, destruction, other hazards and unauthorized access.

3. After the development and implementation of the database created pursuant to subsection 1, a licensee making a deferred deposit loan or title loan shall enter or update the information in the database for each such loan made to a customer on the same day:
(a) The loan is made;
(b) That a customer enters into a repayment plan pursuant to NRS 604A.475; and
(c) That a customer pays the loan in full.

4. The Commissioner shall charge and collect from each licensee a fee not to exceed $1 for each loan entered into the
database by the licensee. The Commissioner shall use the money collected pursuant to this subsection to pay for the operation and administration of the database.

5. Any information in the database created pursuant to subsection 1 is confidential and shall not be considered a public book or record pursuant to NRS 239.010. The information may be used by the Commissioner for statistical purposes if the identity of the persons is not discernible from the information disclosed.

6. If a customer seeking a deferred deposit loan or title loan pursuant to this chapter is deemed ineligible to receive such a loan based on the information contained in the database, the customer may make a direct inquiry to the entity administering the database to request an explanation for the basis of his or her ineligibility.

7. A licensee may rely on the information contained in the database as accurate and is not subject to any administrative penalty or liability for violating the provisions of this chapter as a result of relying on inaccurate information contained in the database.

8. The Commissioner shall adopt regulations that:
   (a) Prescribe the specifications for the information entered into the database;
   (b) Establish standards for the retention, access, reporting, archiving and deletion of information entered into or stored by the database;
   (c) Establish the amount of the fee required pursuant to subsection 4; and
   (d) Are necessary for the administration of the database.

Sec. 6. NRS 604A.015 is hereby amended to read as follows:

604A.015 1. “Automated loan machine” means any machine or other device, regardless of the name given to it or the technology used, that:
   (a) Is automated;
   (b) Is designed or intended to allow a customer, without any additional assistance from another person, to receive or attempt to receive a deferred deposit loan or high-interest title loan through the machine or other device; and
   (c) Is set up, installed, operated or maintained by or on behalf of the person making the loan or any agent, affiliate or subsidiary of the person.

2. The term does not include any machine or other device used directly by a customer to access the Internet unless the machine or other device is made available to the customer by the person making the loan or any agent, affiliate or subsidiary of the person.
Sec. 7. NRS 604A.040 is hereby amended to read as follows:

604A.040 “Customer” means any person who receives or attempts to receive check-cashing services, deferred deposit loan services [high-interest loan services] or title loan services from another person.

Sec. 8. NRS 604A.045 is hereby amended to read as follows:

604A.045 1. “Default” means the failure of a customer to:

(a) Make a scheduled payment on a loan on or before the due date for the payment under the terms of a lawful loan agreement and any grace period that complies with the provisions of NRS 604A.210 or under the terms of any lawful extension or repayment plan relating to the loan and any grace period that complies with the provisions of NRS 604A.210; or

(b) Pay a loan in full on or before:

(1) The expiration of the initial loan period as set forth in a lawful loan agreement and any grace period that complies with the provisions of NRS 604A.210; or

(2) The due date of any lawful extension or repayment plan relating to the loan and any grace period that complies with the provisions of NRS 604A.210, provided that the due date of the extension or repayment plan does not violate the provisions of this chapter.

2. A default occurs on the day immediately following the date of the customer’s failure to perform as described in subsection 1.

Sec. 9. NRS 604A.075 is hereby amended to read as follows:

604A.075 “Licensee” means any person who has been issued one or more licenses to operate a check-cashing service, deferred deposit loan service [high-interest loan service] or title loan service pursuant to the provisions of this chapter.

Sec. 10. NRS 604A.080 is hereby amended to read as follows:

604A.080 “Loan” means any deferred deposit loan [high-interest loan] or title loan, or any extension or repayment plan relating to such a loan, made at any location or through any method, including, without limitation, at a kiosk, through the Internet, through any telephone, facsimile machine or other telecommunication device or through any other machine, network, system, device or means.

Sec. 11. NRS 604A.210 is hereby amended to read as follows:

604A.210 The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan, [or an extension of a loan,] except that the licensee shall not charge the customer:

1. Any fees for granting such a grace period; or

2. Any additional fees or additional interest on the outstanding loan during such a grace period.
Sec. 12. NRS 604A.250 is hereby amended to read as follows:

604A.250  The provisions of this chapter do not apply to:

1.  Except as otherwise provided in NRS 604A.200, a person
doing business pursuant to the authority of any law of this State or
of the United States relating to banks, national banking associations,
savings banks, trust companies, savings and loan associations, credit
unions, mortgage brokers, mortgage bankers, thrift companies
or insurance companies, including, without limitation, any affiliate
or subsidiary of such a person regardless of whether the affiliate or
subsidiary is a bank.

2.  A person who is primarily engaged in the retail sale of goods
or services who:
   (a) As an incident to or independently of a retail sale or service,
from time to time cashes checks for a fee or other consideration of
not more than $2; and
   (b) Does not hold himself or herself out as a check-cashing
service.

3.  A person while performing any act authorized by a license
issued pursuant to chapter 671 of NRS.

4.  A person who holds a nonrestricted gaming license issued
pursuant to chapter 463 of NRS while performing any act in the
course of that licensed operation.

5.  A person who is exclusively engaged in a check-cashing
service relating to out-of-state checks.

6.  A corporation organized pursuant to the laws of this State
that has been continuously and exclusively engaged in a check-
cashing service in this State since July 1, 1973.

7.  A pawnbroker, unless the pawnbroker operates a check-
cashing service, deferred deposit loan service
or title loan service.


9.  An employee benefit plan, as defined in 29 U.S.C. §
1002(3), if the loan is made directly from money in the plan by the
plan’s trustee.

10.  An attorney at law rendering services in the performance of
his or her duties as an attorney at law if the loan is secured by real
property.

11.  A real estate broker rendering services in the performance
of his or her duties as a real estate broker if the loan is secured by
real property.

12.  Any firm or corporation:
   (a) Whose principal purpose or activity is lending money on real
property which is secured by a mortgage;
   (b) Approved by the Federal National Mortgage Association as
a seller or servicer; and
(c) Approved by the Department of Housing and Urban
Development and the Department of Veterans Affairs.

13. A person who provides money for investment in loans
secured by a lien on real property, on his or her own account.

14. A seller of real property who offers credit secured by a
mortgage of the property sold.

15. A person who makes a refund anticipation loan, unless the
person operates a check-cashing service, deferred deposit loan
service [high-interest loan service] or title loan service.

Sec. 13. NRS 604A.400 is hereby amended to read as follows:
604A.400 1. A person, including, without limitation, a person
licensed pursuant to chapter 675 of NRS, shall not operate a check-
cashing service, deferred deposit loan service [high-interest loan
services] or title loan service unless the person is licensed with the
Commissioner pursuant to the provisions of this chapter.

2. A person must have a license regardless of the location or
method that the person uses to operate such a service, including,
without limitation, at a kiosk, through the Internet, through any
telephone, facsimile machine or other telecommunication device or
through any other machine, network, system, device or means,
except that the person shall not operate such a service through
any automated loan machine in violation of the provisions of
subsection 3.

3. A person shall not operate a deferred deposit loan service [or
high-interest loan service] through any automated loan machine, and
the Commissioner shall not issue a license that authorizes the
licensee to conduct business through any automated loan machine.

4. Any person, and any member, officer, director, agent or
employee thereof, who violates or participates in the violation of
any provision of this section is guilty of a misdemeanor.

Sec. 14. NRS 604A.405 is hereby amended to read as follows:
604A.405 1. A licensee shall post in a conspicuous place in
every location at which the licensee conducts business under his or
her license:
   (a) A notice that states the fees the licensee charges for
   providing check-cashing services, deferred deposit loan services [high-interest loan services] or title loan services.
   (b) A notice that states a toll-free telephone number to the Office
   of the Commissioner to handle concerns or complaints of customers.
   The Commissioner shall adopt regulations prescribing the form
   and size of the notices required by this subsection.

2. If a licensee offers loans to customers at a kiosk, through the
Internet, through any telephone, facsimile machine or other
telecommunication device or through any other machine, network,
system, device or means, except for an automated loan machine
prohibited by NRS 604A.400, the licensee shall, as appropriate to
the location or method for making the loan, post in a conspicuous
place where customers will see it before they enter into a loan, or
disclose in an open and obvious manner to customers before they
enter into a loan, a notice that states:
(a) The types of loans the licensee offers and the fees he or she
charges for making each type of loan; and
(b) A list of the states where the licensee is licensed or
authorized to conduct business from outside this State with
customers located in this State.
3. A licensee who provides check-cashing services shall give
written notice to each customer of the fees he or she charges for
cashing checks. The customer must sign the notice before the
licensee provides the check-cashing service.

Sec. 15. NRS 604A.408 is hereby amended to read as follows:
604A.408 1. Except as otherwise provided in this chapter,
the original term of a deferred deposit loan or high-interest
loan must not exceed 35 days.
2. The original term of a high-interest loan may be up to 90
days if:
— (a) The loan provides for payments in installments;
— (b) The payments are calculated to ratably and fully amortize the
entire amount of principal and interest payable on the loan;
— (c) The loan is not subject to any extension; and
— (d) The loan does not require a balloon payment of any kind.
3. Notwithstanding the provisions of NRS 604A.480, a
licensee shall not agree to establish or extend the period for the
repayment, renewal, refinancing or consolidation of an outstanding
deferred deposit loan or high-interest loan for a period that exceeds
90 days after the date of origination of the loan.

Sec. 16. NRS 604A.425 is hereby amended to read as follows:
604A.425 1. A licensee shall not:
— (a) Make a deferred deposit loan that exceeds 25 percent
of the expected gross monthly income of the customer when the
loan is made.
— (b) Make a high-interest loan which, under the terms of the loan
agreement, requires any monthly payment that exceeds 25 percent
of the expected gross monthly income of the customer.
2. A licensee is not in violation of the provisions of this section
if the customer presents evidence of his or her gross monthly
income to the licensee and represents to the licensee in writing
that:
— (a) For the deferred deposit loan, the loan does not exceed
25 percent of the customer’s expected gross monthly income when
the loan is made.
— (b) For a high-interest loan, the monthly payment required under the terms of the loan agreement does not exceed 25 percent of the customer’s expected gross monthly income.

Sec. 17. NRS 604A.435 is hereby amended to read as follows:

604A.435  A licensee shall not:

1. Accept:
   (a) Collateral as security for a loan, except that a title to a vehicle may be accepted as security for a title loan.
   (b) An assignment of wages, salary, commissions or other compensation for services, whether earned or to be earned, as security for a loan.
   (c) A check as security for a high-interest loan or title loan.
   (d) More than one check or written authorization for an electronic transfer of money for each deferred deposit loan.
   (e) A check or written authorization for an electronic transfer of money for any deferred deposit loan in an amount which exceeds the total of payments set forth in the disclosure statement required by the Truth in Lending Act and Regulation Z that is provided to the customer.

2. Take any note or promise to pay which does not disclose the date and amount of the loan, amount financed, annual percentage rate, finance charge, total of payments, payment schedule and a description and the amount of every fee charged, regardless of the name given to the fee and regardless of whether the fee is required to be included in the finance charge under the Truth in Lending Act and Regulation Z.

3. Take any instrument, including a check or written authorization for an electronic transfer of money, in which blanks are left to be filled in after the loan is made.

4. Make any transaction contingent on the purchase of insurance or any other goods or services or sell any insurance to the customer with the loan.

5. Fail to comply with a payment plan which is negotiated and agreed to by the licensee and customer.

6. Charge any fee to cash a check representing the proceeds of a loan made by the licensee or any agent, affiliate or subsidiary of the licensee.

Sec. 18. NRS 604A.440 is hereby amended to read as follows:

604A.440  A licensee shall not:

1. Use or threaten to use the criminal process in this State or any other state, or any civil process not available to creditors generally, to collect on a loan made to a customer.

2. Commence a civil action or any process of alternative dispute resolution or repossess a vehicle before the customer defaults under the original term of a loan agreement or before the
customer defaults under any repayment plan [extension] or grace period negotiated and agreed to by the licensee and customer, unless otherwise authorized pursuant to this chapter.

3. Take any confession of judgment or any power of attorney running to the licensee or to any third person to confess judgment or to appear for the customer in a judicial proceeding.

4. Include in any written agreement:
   (a) A promise by the customer to hold the licensee harmless;
   (b) A confession of judgment by the customer;
   (c) An assignment or order for the payment of wages or other compensation due the customer; or
   (d) A waiver of any claim or defense arising out of the loan agreement or a waiver of any provision of this chapter. The provisions of this paragraph do not apply to the extent preempted by federal law.

5. Engage in any deceptive trade practice, as defined in chapter 598 of NRS, including, without limitation, making a false representation.

6. Advertise or permit to be advertised in any manner any false, misleading or deceptive statement or representation with regard to the rates, terms or conditions for loans.

7. Use or attempt to use any agent, affiliate or subsidiary to avoid the requirements or prohibitions of this chapter.

Sec. 19. NRS 604A.445 is hereby amended to read as follows:

604A.445 Notwithstanding any other provision of this chapter to the contrary:

1. The original term of a title loan must not exceed 30 days.

2. The title loan may be extended for not more than six additional periods of extension, with each such period not to exceed 30 days, if:
   — (a) Any interest or charges accrued during the original term of the title loan or any period of extension of the title loan are not capitalized or added to the principal amount of the title loan during any subsequent period of extension;
   — (b) The annual percentage rate charged on the title loan during any period of extension is not more than the annual percentage rate charged on the title loan during the original term; and
   — (c) No additional origination fees, set-up fees, collection fees, transaction fees, negotiation fees, handling fees, processing fees, late fees, default fees or any other fees, regardless of the name given to the fees, are charged in connection with any extension of the title loan.

3. The original term of a title loan may be up to 210 days if:
   (a) The loan provides for payments in installments;
(b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
(c) The loan is not subject to any extension; and
(d) The loan does not require a balloon payment of any kind.

Sec. 20. NRS 604A.450 is hereby amended to read as follows:
604A.450  A licensee who makes title loans shall not:
1. Make a title loan that exceeds the fair market value of the vehicle securing the title loan.
2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer’s current and expected income, obligations, and employment.
3. Make a title loan without requiring the customer to sign an affidavit which states that:
   (a) The customer has provided the licensee with true and correct information concerning the customer’s income, obligations, employment and ownership of the vehicle; and
   (b) The customer has the ability to repay the title loan.

Sec. 21. NRS 604A.455 is hereby amended to read as follows:
604A.455 1. Except where in conflict with the provisions of this section, the provisions of chapter 104 of NRS apply to any title loan between a licensee and a customer.
2. Except as otherwise provided in this section, if a customer defaults on a title loan, or on any repayment plan relating to the title loan, the sole remedy of the licensee who made the title loan is to seek repossession and sale of the vehicle which the customer used to secure the title loan. The licensee may not pursue the customer personally for:
   (a) Payment of the loan, unless the licensee proves the customer prevented the repossession and sale of the vehicle by any means, including, without limitation, hiding the vehicle; or
   (b) Any deficiency after repossession and sale of the vehicle which the customer used to secure the title loan, unless the licensee proves the customer damaged or otherwise committed or permitted waste on the vehicle. For the purposes of this paragraph, it shall not be deemed waste for the customer to continue to use the vehicle in the same manner it was used before the customer entered into the title loan.
3. If a vehicle is repossessed pursuant to this section:
   (a) By the licensee or his or her employees, the licensee shall make reasonably available to the customer any personal property in or upon the vehicle; or
   (b) By a third party acting on behalf of the licensee, the licensee shall instruct the third party to make reasonably available to the customer any personal property in or upon the vehicle.
4. If a customer uses fraud to secure a title loan or if the customer wrongfully transfers any interest in the vehicle to a third party before the title loan is repaid, the licensee may bring a civil action against the customer for any or all of the following relief:
   (a) The amount of the loan obligation, including, without limitation, the aggregate amount of the interest, charges and fees negotiated and agreed to by the licensee and customer as permitted under this chapter, less any prior payments made by the customer;
   (b) Reasonable attorney’s fees and costs; and
   (c) Any other legal or equitable relief that the court deems appropriate.

5. As used in this section, “fraud” means an intentional misrepresentation, deception or concealment of a material fact known to the customer with the intent to deprive the licensee of his or her rights or property or to otherwise injure the licensee. The term includes, without limitation, giving to a licensee as security for a title loan the title to a vehicle which does not belong to the customer.

Sec. 22. NRS 604A.460 is hereby amended to read as follows:

604A.460 1. A customer may rescind a loan on or before the close of business on the next day of business at the location where the loan was initiated. To rescind the loan, the customer must deliver to the licensee:
   (a) A sum of money equal to the face value of the loan, less any fee charged to the customer to initiate the loan; or
   (b) The original check, if any, which the licensee gave to the customer pursuant to the loan. Upon receipt of the original check, the licensee shall refund any fee charged to the customer to initiate the loan.

2. If a customer rescinds a loan pursuant to this section, the licensee:
   (a) Shall not charge the customer any fee for rescinding the loan; and
   (b) Upon receipt of the sum of money or check pursuant to subsection 1, shall give to the customer a receipt showing the account paid in full and:
      (1) If the customer gave to the licensee a check or a written authorization for an electronic transfer of money to initiate a deferred deposit loan, the check or written authorization stamped “void”; or
      (2) If the customer gave to the licensee a promissory note to initiate a high-interest loan, a copy of the promissory note stamped “void” or the receipt stamped “paid in full”; or
      (3) If the customer gave to the licensee a title to a vehicle to initiate the title loan, the title.
Sec. 23. NRS 604A.465 is hereby amended to read as follows:

604A.465 1. A customer may pay a loan \{or any extension thereof\} in full at any time, without an additional charge or fee, before the date the customer’s final payment on the loan \{or any extension thereof\} is due.

2. If a customer pays the loan in full, including all interest, charges and fees negotiated and agreed to by the licensee and customer as permitted under this chapter, the licensee shall:

   (a) Give to the customer:

      (1) If the customer gave to the licensee a check or a written authorization for an electronic transfer of money to initiate a deferred deposit loan, the check or the written authorization stamped “void”; or

      (2) If the customer gave to the licensee a promissory note to initiate a high-interest loan, the promissory note stamped “void” or a receipt stamped “paid in full”; or

      (3) If the customer gave to the licensee a title to a vehicle to initiate a title loan, the title;

   (b) Give to the customer a receipt with the following information:

      (1) The name and address of the licensee;

      (2) The identification number assigned to the loan agreement or other information that identifies the loan;

      (3) The date of the payment;

      (4) The amount paid;

      (5) An itemization of interest, charges and fees;

      (6) A statement that the loan is paid in full; and

      (7) If more than one loan made by the licensee to the customer was outstanding at the time the payment was made, a statement indicating to which loan the payment was applied.

Sec. 24. NRS 604A.470 is hereby amended to read as follows:

604A.470 1. A customer may make a partial payment on a loan \{or any extension thereof\} at any time without an additional charge or fee.

2. If a customer makes such a partial payment, the licensee shall give to the customer a receipt with the following information:

   (a) The name and address of the licensee;

   (b) The identification number assigned to the loan agreement or other information that identifies the loan;

   (c) The date of the payment;

   (d) The amount paid;

   (e) An itemization of interest, charges and fees;

   (f) The balance due on the loan; and
(g) If more than one loan made by the licensee to the customer was outstanding at the time the payment was made, a statement indicating to which loan the payment was applied.

Sec. 25. NRS 604A.475 is hereby amended to read as follows:

604A.475 1. Before a licensee attempts to collect the outstanding balance on a loan in default by commencing any civil action or process of alternative dispute resolution or repossessing a vehicle, the licensee shall offer the customer an opportunity to enter into a repayment plan. The licensee:
   (a) Is required to make the offer available to the customer for a period of at least 30 days after the date of default; and
   (b) Is not required to make such an offer more than once for each loan.

2. If the licensee intends to commence any civil action or process of alternative dispute resolution or repossess a vehicle in an effort to collect a defaulted loan, the licensee shall deliver to the customer, not later than 15 days after the date of default, or not later than 5 days after a check is not paid upon presentment or an electronic transfer of money fails, whichever is later, written notice of the opportunity to enter into a repayment plan. The written notice must:
   (a) Be in English, if the initial transaction was conducted in English, or in Spanish, if the initial transaction was conducted in Spanish;
   (b) State the date by which the customer must act to enter into a repayment plan;
   (c) Explain the procedures the customer must follow to enter into a repayment plan;
   (d) If the licensee requires the customer to make an initial payment to enter into a repayment plan, explain the requirement and state the amount of the initial payment and the date the initial payment must be made;
   (e) State that the customer has the opportunity to enter into a repayment plan with a term of at least 90 days after the date of default; and
   (f) Include the following amounts:
      (1) The total of payments or the remaining balance on the original loan;
      (2) Any payments made on the loan;
      (3) Any charges added to the loan amount allowed pursuant to the provisions of this chapter; and
      (4) The total amount due if the customer enters into a repayment plan.

3. Under the terms of any repayment plan pursuant to this section:
The customer must enter into the repayment plan not later than 30 days after the date of default, unless the licensee allows a longer period;

(b) The licensee must allow the period for repayment to extend at least 90 days after the date of default, unless the customer agrees to a shorter term;

(c) The licensee may require the customer to make an initial payment of not more than 20 percent of the total amount due under the terms of the repayment plan;

(d) For a deferred deposit loan:

(1) The licensee may require a customer to provide, as security, one or more checks or written authorizations for an electronic transfer of money which equal the total amount due under the terms of the repayment plan;

(2) The licensee shall, if the customer makes a payment in the amount of a check or written authorization taken as security for that payment, return to the customer the check or written authorization stamped “void” or destroy the check or written authorization; and

(3) The licensee shall not charge any fee to the customer pursuant to NRS 604A.490 for a check which is provided as security during the repayment plan and which is not paid upon presentment if, in connection with that loan, the licensee has previously charged at least one such fee.

4. If the licensee and customer enter into a repayment plan pursuant to this section, the licensee shall honor the terms of the repayment plan, and the licensee shall not:

(a) Except as otherwise provided by this chapter, charge any other amount to a customer, including, without limitation, any amount or charge payable directly or indirectly by the customer and imposed directly or indirectly by the licensee as an incident to or as a condition of entering into a repayment plan. Such an amount includes, without limitation:

(1) Any interest, regardless of the name given to the interest, other than the interest charged pursuant to the original loan agreement at a rate which does not exceed the annual percentage rate charged during the term of the original loan agreement; or

(2) Any origination fees, set-up fees, collection fees, transaction fees, negotiation fees, handling fees, processing fees, late fees, default fees or any other fees, regardless of the name given to the fee;

(b) Except as otherwise provided in this section, accept any additional security or collateral from the customer to enter into the repayment plan;
(c) Sell to the customer any insurance or require the customer to purchase insurance or any other goods or services to enter into the repayment plan;
(d) Make any other loan to the customer; unless the customer is seeking multiple loans that do not exceed the limit set forth in NRS 604A.425;
(e) During the term of the repayment plan, attempt to collect the outstanding balance by commencing any civil action or process of alternative dispute resolution or by repossessing a vehicle, unless the customer defaults on the repayment plan; or
(f) Attempt to collect an amount that is greater than the amount owed under the terms of the repayment plan.
5. If the licensee and customer enter into a repayment plan pursuant to this section, the licensee shall:
   (a) Prepare a written agreement establishing the repayment plan; and
   (b) Give the customer a copy of the written agreement. The written agreement must:
       (1) Be signed by the licensee and customer; and
       (2) Contain all of the terms of the repayment plan, including, without limitation, the total amount due under the terms of the repayment plan.
6. Each time a customer makes a payment pursuant to a repayment plan, the licensee shall give to the customer a receipt with the following information:
   (a) The name and address of the licensee;
   (b) The identification number assigned to the loan agreement or other information that identifies the loan;
   (c) The date of the payment;
   (d) The amount paid;
   (e) The balance due on the loan or, when the customer makes the final payment, a statement that the loan is paid in full; and
   (f) If more than one loan made by the licensee to the customer was outstanding at the time the payment was made, a statement indicating to which loan the payment was applied.
7. If the customer defaults on the repayment plan, the licensee may, to collect the outstanding balance, commence any civil action or process of alternative dispute resolution or repossess a vehicle as otherwise authorized pursuant to this chapter.

Sec. 26. NRS 604A.485 is hereby amended to read as follows:
1. If a customer defaults on a loan or on any extension or repayment plan relating to the loan, whichever is later, the licensee may collect only the following amounts from the customer, less all payments made before and after default:
   (a) The unpaid principal amount of the loan.
(b) The unpaid interest, if any, accrued before the default at the annual percentage rate set forth in the disclosure statement required by the Truth in Lending Act and Regulation Z that is provided to the customer. [If there is an extension, in writing and signed by the customer, relating to the loan, the licensee may charge and collect interest pursuant to this paragraph for a period not to exceed 60 days after the expiration of the initial loan period, unless otherwise allowed by NRS 604A.480.]

(c) The interest accrued after the expiration of the initial loan period or after any [extension or] repayment plan that is allowed pursuant to this chapter, whichever is later, at an annual percentage rate not to exceed the prime rate at the largest bank in Nevada, as ascertained by the Commissioner, on January 1 or July 1, as the case may be, immediately preceding the expiration of the initial loan period, plus 10 percent. The licensee may charge and collect interest pursuant to this paragraph for a period not to exceed 90 days. After that period, the licensee shall not charge or collect any interest on the loan.

(d) Any fees allowed pursuant to NRS 604A.490 for a check that is not paid upon presentment or an electronic transfer of money that fails because the account of the customer contains insufficient funds or has been closed. The sum of all amounts collected pursuant to paragraphs (b), (c) and (d) must not exceed the principal amount of the loan.

2. Except for the interest and fees permitted pursuant to subsection 1 and any other charges expressly permitted pursuant to NRS [604A.420, 604A.445, and 604A.475, and 604A.487, the licensee shall not charge any other amount to a customer, including, without limitation, any amount or charge payable directly or indirectly by the customer and imposed directly or indirectly by the licensee as an incident to or as a condition of [the extension of the period for the payment of the loan or] the extension of credit. Such prohibited amounts include, without limitation:

(a) Any interest, other than the interest charged pursuant to subsection 1, regardless of the name given to the interest; or

(b) Any origination fees, set-up fees, collection fees, transaction fees, negotiation fees, handling fees, processing fees, late fees, default fees or any other fees, regardless of the name given to the fee.

Sec. 27. NRS 604A.515 is hereby amended to read as follows:

604A.515 1. In addition to the requirements of any other provision of this chapter, or any applicable law or regulation of this State or federal law or regulation, a licensee who has been issued one or more licenses to operate a deferred deposit loan service [or high interest loan service] or title loan service pursuant to this
chapter shall comply with the provisions of NRS 604A.510 to 604A.565, inclusive.

2. The provisions of NRS 604A.510 to 604A.565, inclusive, do not apply to the operation of a check-cashing service licensed pursuant to this chapter.

Sec. 28. NRS 604A.520 is hereby amended to read as follows:

604A.520 1. A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall comply with the disclosure requirements of NRS 604A.405 and the Federal Truth in Lending Act. A loan agreement between such a licensee and a customer must fully disclose the terms of the transaction, including, without limitation, the amount of any fees charged for providing deferred deposit loan services or title loan services represented in both a dollar amount and as an annual percentage rate.

2. A licensee described in subsection 1 shall prominently disclose in the loan agreement all fees charged for providing deferred deposit loan services or title loan services to a customer before he or she enters into the transaction process.

Sec. 29. NRS 604A.525 is hereby amended to read as follows:

604A.525 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall not charge a fee for providing deferred deposit loan services or title loan services that is prohibited by an applicable law or regulation of this State or federal law or regulation.

Sec. 30. NRS 604A.530 is hereby amended to read as follows:

604A.530 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall comply with the provisions of subsection 6 of NRS 604A.440 prohibiting advertisements that are false, misleading or deceptive with regard to the rates, terms or conditions for loans.

Sec. 31. NRS 604A.535 is hereby amended to read as follows:

604A.535 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall place the following notices on marketing materials and television, print, radio and Internet advertising when space or time reasonably permits:

1. Deferred deposit loans and title loans should be used for short-term financial needs only and not as a long-term financial solution; and
2. Customers with credit difficulties should seek credit counseling before entering into any loan transaction.

Sec. 32. NRS 604A.540 is hereby amended to read as follows: 604A.540 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall not allow a customer to extend, rollover, renew, refinance or consolidate any deferred deposit loan or title loan for a period longer than the period set forth in subsection 3 of NRS 604A.408.

Sec. 33. NRS 604A.545 is hereby amended to read as follows: 604A.545 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall provide each customer with the ability to rescind any deferred deposit loan or title loan in accordance with the provisions of NRS 604A.460.

Sec. 34. NRS 604A.550 is hereby amended to read as follows: 604A.550 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter must collect past due accounts in a professional, fair and lawful manner in accordance with the provisions of NRS 604A.440 and applicable provisions of the Federal Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., as amended. Such a licensee shall not use unlawful threats, intimidation or harassment to collect unpaid accounts.

Sec. 35. NRS 604A.555 is hereby amended to read as follows: 604A.555 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall report to the Commissioner any person the licensee knows, or reasonably should know, is in violation of the provisions of this chapter within 30 days after the date the licensee knows, or reasonably should know, of the violation.

Sec. 36. NRS 604A.560 is hereby amended to read as follows: 604A.560 A licensee who has been issued one or more licenses to operate a deferred deposit loan service or title loan service pursuant to this chapter shall provide to any customer who is unable to repay a deferred deposit loan or title loan in accordance with the loan agreement between the licensee and the customer the opportunity to enter into a repayment plan pursuant to NRS 604A.475. Such a licensee shall disclose the availability of such a repayment plan to any customer who is unable to repay a loan.
Sec. 37. NRS 604A.565 is hereby amended to read as follows:

604A.565 A licensee that offers deferred deposit loan services or high-interest loan services title loan services through an Internet website must be licensed in each state, as applicable, where any of its customers reside and shall comply with any state or federal law or regulation applicable to such jurisdiction.

Sec. 38. NRS 604A.655 is hereby amended to read as follows:

604A.655 Except as otherwise provided in this section, a licensee may not conduct the business of making loans within any:

1. Any office, suite, room or place of business in which any other lending business is solicited or engaged in, except an insurance agency or notary public, or in association or conjunction with any other business, unless authority to do so is given by the Commissioner; and

2. A licensee may conduct the business of making loans in the same office or place of business as:

   (a) A mortgage broker if:

       (1) The licensee and the mortgage broker:

           (I) Maintain separate accounts, books and records;

           (II) Are subsidiaries of the same parent corporation; and

           (III) Maintain separate licenses; and

       (2) The mortgage broker is licensed by this State pursuant to chapter 645B of NRS and does not receive money to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.

   (b) A mortgage banker if:

       (1) The licensee and the mortgage banker:

           (I) Maintain separate accounts, books and records;

           (II) Are subsidiaries of the same parent corporation; and

           (III) Maintain separate licenses; and

       (2) The mortgage banker is licensed by this State pursuant to chapter 645E of NRS and, if the mortgage banker is also licensed as a mortgage broker pursuant to chapter 645B of NRS, does not receive money to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.

   (c) If a pawnbroker is licensed to operate a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service, the pawnbroker may operate that service at the same office or place of business from which he or she conducts business as a pawnbroker pursuant to chapter 646 of NRS. One thousand three hundred twenty feet of any location at which the licensee or another licensee conducts the business of lending.
Sec. 39. NRS 604A.710 is hereby amended to read as follows:

604A.710 1. For the purpose of discovering violations of this chapter or securing information lawfully required under this chapter, the Commissioner or his or her duly authorized representatives may at any time investigate the business and examine the books, accounts, papers and records used therein of:

(a) Any licensee;
(b) Any other person engaged in the business of making loans or participating in such business as principal, agent, broker or otherwise;
(c) Any registered agent who represents a licensee or any other person engaged in the business of making loans; and
(d) Any person who the Commissioner has reasonable cause to believe is violating or is about to violate any provision of this chapter, whether or not the person claims to be within the authority or beyond the scope of this chapter.

2. For the purpose of examination, the Commissioner or his or her authorized representatives shall have and be given free access to the offices and places of business, and the files, safes and vaults of such persons.

3. The investigation of a registered agent pursuant to subsection 1, including, without limitation, any books, accounts, papers and records used therein, must be kept confidential except to the extent necessary to enforce any provision of this chapter.

4. For the purposes of this section, any person who advertises for, solicits or holds himself or herself out as willing to make any deferred deposit loan or title loan is presumed to be engaged in the business of making loans.

5. This section does not entitle the Commissioner or his or her authorized representatives to investigate the business or examine the books, accounts, papers and records of any attorney who is not a person described in paragraph (a), (b) or (d) of subsection 1, other than examination of those books, accounts, papers and records maintained by such attorney in his or her capacity as a registered agent, and then only to the extent such books, accounts, papers and records are not subject to any privilege in NRS 49.035 to 49.115, inclusive.

Sec. 40. NRS 604A.920 is hereby amended to read as follows:

604A.920 If a person operates a check-cashing service, deferred deposit loan service or title loan service without obtaining a license pursuant to this chapter:

1. Any contracts entered into by that person for the cashing of a check or for a deferred deposit loan or title loan are voidable by the other party to the contract; and
2. In addition to any other remedy or penalty, the other party to
the contract may bring a civil action against the person pursuant to
NRS 604A.930.

Sec. 41. NRS 604A.930 is hereby amended to read as follows:
604A.930  1. Subject to the affirmative defense set forth in
subsection 3, in addition to any other remedy or penalty, if a person
violates any provision of NRS 604A.400, 604A.410 to 604A.500,
inclusive, and sections 2 and 3 of this act, 604A.610, 604A.615,
604A.650 or 604A.655 or any regulation adopted pursuant thereto,
the customer may bring a civil action against the person for:
(a) Actual and consequential damages;
(b) Punitive damages, which are subject to the provisions of
NRS 42.005;
(c) Reasonable attorney’s fees and costs; and
(d) Any other legal or equitable relief that the court deems
appropriate.

2. Subject to the affirmative defense set forth in subsection 3,
in addition to any other remedy or penalty, the customer may bring a
civil action against a person pursuant to subsection 1 to recover an
additional amount, as statutory damages, which is equal to $1,000
for each violation if the person knowingly:
(a) Operates a check-cashing service, deferred deposit loan
service, high-interest loan service, or title loan service without a
license, in violation of NRS 604A.400;
(b) Fails to include in a loan agreement a disclosure of the right
of the customer to rescind the loan, in violation of NRS 604A.410;
(c) Violates any provision of NRS 604A.420;
(d) Accepts collateral or security for a deferred deposit loan, in
violation of NRS 604A.435, except that a check or written
authorization for an electronic transfer of money shall not be
deemed to be collateral or security for a deferred deposit loan;
(e) Uses or threatens to use the criminal process in this State or
any other state to collect on a loan made to the customer, in
violation of NRS 604A.440;
(f) Includes in any written agreement a promise by the customer
to hold the person harmless, a confession of judgment by the
customer or an assignment or order for the payment of wages or
other compensation due the customer, in violation of
NRS 604A.440;
(g) Violates any provision of NRS 604A.485;
(h) Violates any provision of NRS 604A.490; or
(i) Violates any provision of NRS 604A.442.

3. A person may not be held liable in any civil action brought
pursuant to this section if the person proves, by a preponderance of
evidence, that the violation:
(a) Was not intentional;
(b) Was technical in nature; and
(c) Resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

4. For the purposes of subsection 3, a bona fide error includes, without limitation, clerical errors, calculation errors, computer malfunction and programming errors and printing errors, except that an error of legal judgment with respect to the person’s obligations under this chapter is not a bona fide error.

Sec. 42. NRS 239.010 is hereby amended to read as follows:

and section 5 of this act, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the
rights of a person in any written book or record which is
copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record
which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a
public book or record shall not deny a request made pursuant to
subsection 1 to inspect or copy or receive a copy of a public book or
record on the basis that the requested public book or record contains
information that is confidential if the governmental entity can
redact, delete, conceal or separate the confidential information from
the information included in the public book or record that is not
otherwise confidential.

4. A person may request a copy of a public record in any
medium in which the public record is readily available. An officer,
employee or agent of a governmental entity who has legal custody
or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a
readily available medium because the officer, employee or agent has
already prepared or would prefer to provide the copy in a different
medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon
request, prepare the copy of the public record and shall not require
the person who has requested the copy to prepare the copy himself
or herself.

Sec. 43. Chapter 675 of NRS is hereby amended by adding
thereto a new section to read as follows:

A licensee shall not make a loan if the annual percentage rate
charged by the licensee is more than 36 percent.

Sec. 44. NRS 675.060 is hereby amended to read as follows:

675.060 1. No person may engage in the business of lending
in this State without first having obtained a license from the
Commissioner pursuant to this chapter for each office or other place
of business at which the person engages in such business, except
that if a person intends to engage in the business of lending in this
State as a deferred deposit loan service [high-interest loan service] or
title loan service, as those terms are defined in chapter 604A of
NRS, the person must obtain a license from the Commissioner
pursuant to chapter 604A of NRS before the person may engage in
any such business.

2. For the purpose of this section, a person engages in the
business of lending in this State if he or she:

(a) Solicits loans in this State or makes loans to persons in this
State, unless these are isolated, incidental or occasional transactions; or
(b) Is located in this State and solicits loans outside of this State or makes loans to persons located outside of this State, unless these are isolated, incidental or occasional transactions.

Sec. 45. Any contract or agreement entered into pursuant to chapter 604A of NRS before January 1, 2018, remains in effect in accordance with the provisions of the contract or agreement.

Sec. 46. The provisions of paragraph (b) of subsection 1 of NRS 604A.655, as amended by section 38 of this act, do not apply to a location at which a person licensed pursuant to chapter 604A of NRS conducts the business of making loans on or before January 1, 2018, unless the licensee ceases to conduct business at that location for 18 or more consecutive months.

Sec. 47. NRS 604A.0703, NRS 604A.0705, NRS 604A.407, 604A.430, 604A.480 and 604A.487 are hereby repealed.

Sec. 48. This act becomes effective:

1. On July 1, 2017, for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On January 1, 2018, for all other purposes.

LEADLINES OF REPEALED SECTIONS

604A.0703 “High-interest loan” defined.
604A.0705 “High-interest loan service” defined.
604A.407 Determination of whether loan is high-interest loan.
604A.430 Prohibited acts by licensee regarding multiple loans to same customer.
604A.480 Limitations on using proceeds of new loan to pay balance of outstanding loan; exceptions.
604A.487 Limitations on fees licensees may charge after default on installment payments.