

ASSEMBLY BILL NO. 222—ASSEMBLYWOMAN SWANK

PREFILED FEBRUARY 13, 2017

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing payday loans, title loans and installment loans. (BDR 52-574)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

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

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:

- 1 Existing law establishes standards and procedures for the licensing and
- 2 regulation of certain short-term loans, commonly referred to as “payday loans,”
- 3 high-interest loans and title loans. (Chapter 604A of NRS) Under existing law, a
- 4 high-interest loan is defined as any loan which charges an annual percentage rate of
- 5 more than 40 percent. (NRS 604A.0703) **Section 3** of this bill prohibits a person
- 6 who is licensed under chapter 604A of NRS from making a loan which charges
- 7 annual percentage rate of more than 36 percent. **Section 43** of this bill prohibits a
- 8 person who is licensed under chapter 675 of NRS, which governs certain



9 installment loans, from making a loan which charges an annual percentage rate of
10 more than 36 percent. **Sections 6, 7, 9, 10, 12-17, 22, 23, 27-41, 44 and 47** of this
11 bill remove references in existing law to high-interest loans which charge an annual
12 percentage rate of more than 40 percent.

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

20 Under existing law, with certain exceptions: (1) the original term of a deferred
21 deposit loan or high-interest loan must not be more than 35 days; and (2) the
22 original term of a title loan must not be more than 30 days or, if certain
23 requirements are met, 210 days. However, under certain circumstances, a customer
24 who receives a deferred deposit loan, high-interest loan or title loan is authorized to
25 rollover or extend the period for the repayment of the loan for a period of: (1) not
26 more than 90 days after the date of the origination of the loan if the loan is a
27 deferred deposit loan or high-interest loan; or (2) not more than 210 days if the loan
28 is a title loan. (NRS 604A.408, 604A.445, 604A.540) In addition to authorizing
29 extensions or rollovers of deferred deposit loans, high-interest loans and title loans,
30 existing law authorizes a person who receives a deferred deposit loan or high-
31 interest loan to extend the period of such loan by using the proceeds of a new loan
32 to pay the balance of the outstanding loan. (NRS 604A.480) **Sections 15 and 32** of
33 this bill prohibit the extension or rollover of a deferred deposit loan or title loan,
34 and **section 47** of this bill repeals the provision of existing law authorizing the
35 extension of the period of an outstanding loan by using the proceeds of a new loan
36 to pay the balance of the outstanding loan. Because **sections 15 and 32** prohibit
37 extensions or rollovers of deferred deposit loans and title loans, **sections 8, 11, 18-**
38 **21, 23, 24 and 26** of this bill remove references to the extension of such loans.

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

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

62 Existing law prohibits a person licensed under chapter 604A of NRS from
63 conducting the business of making loans at any location in which certain other



* A B 2 2 2 *

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

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

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

4 **Sec. 2. 1.** *A licensee shall not make a deferred deposit loan*
5 *or title loan unless the licensee determines that the customer has*
6 *the ability to repay the deferred deposit loan or title loan.*

7 **2.** *For the purposes of subsection 1, a customer has the*
8 *ability to repay a deferred deposit loan or title loan if the customer*
9 *has a reasonable ability to repay the deferred deposit loan or title*
10 *loan, as determined by the licensee after considering and verifying*
11 *the following underwriting factors:*

12 *(a) The current or reasonably expected income of the*
13 *customer;*

14 *(b) The current employment status of the customer;*

15 *(c) The monthly residual income of the customer;*

16 *(d) The credit history of the customer;*

17 *(e) The amount due under the original term of the loan, the*
18 *monthly payment on the loan, if the loan is an installment loan, or*
19 *the potential repayment plan if the customer defaults on the loan;*

20 *(f) Any monthly payments on other obligations owed by the*
21 *customer; and*

22 *(g) Other current debt obligations owed by the customer,*
23 *including, without limitation, alimony and child support.*

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

27 **Sec. 4. 1.** *A licensee shall not make a deferred deposit loan*
28 *or title loan to a customer who:*



1 (a) Currently has such a loan outstanding with the licensee or
2 another licensee;

3 (b) Has had any such loan outstanding with the licensee or
4 another licensee within the 30 days immediately preceding the
5 making of the loan; or

6 (c) Has had a total of three or more such loans outstanding
7 with the licensee or another licensee within the 6 months
8 immediately preceding the making of the loan.

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

14 **Sec. 5. 1. The Commissioner shall, by contract with a**
15 **vendor or service provider or otherwise, develop, implement and**
16 **maintain a database by which a licensee who makes a deferred**
17 **deposit loan or title loan to a customer may determine:**

18 (a) Whether the customer has such a loan outstanding with the
19 licensee or another licensee;

20 (b) Whether the customer has had such a loan outstanding
21 with the licensee or another licensee within the 30 days
22 immediately preceding the making of the loan;

23 (c) Whether the customer has had a total of three or more such
24 loans outstanding with the licensee or another licensee within the
25 6 months immediately preceding the making of the loan; and

26 (d) Any other information necessary to comply with the
27 provisions of this chapter.

28 2. Any information entered into or stored by the database
29 created pursuant to subsection 1 must be:

30 (a) Accessible to and usable in real time by any licensee in this
31 State through Internet access or through alternative means,
32 including, without limitation, by telephone; and

33 (b) Protected from fire, theft, loss, destruction, other hazards
34 and unauthorized access.

35 3. After the development and implementation of the database
36 created pursuant to subsection 1, a licensee making a deferred
37 deposit loan or title loan shall enter or update the information in
38 the database for each such loan made to a customer on the same
39 day:

40 (a) The loan is made;

41 (b) That a customer enters into a repayment plan pursuant to
42 NRS 604A.475; and

43 (c) That a customer pays the loan in full.

44 4. The Commissioner shall charge and collect from each
45 licensee a fee not to exceed \$1 for each loan entered into the



1 *database by the licensee. The Commissioner shall use the money*
2 *collected pursuant to this subsection to pay for the operation and*
3 *administration of the database.*

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

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

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

19 *8. The Commissioner shall adopt regulations that:*

20 *(a) Prescribe the specifications for the information entered*
21 *into the database;*

22 *(b) Establish standards for the retention, access, reporting,*
23 *archiving and deletion of information entered into or stored by the*
24 *database;*

25 *(c) Establish the amount of the fee required pursuant to*
26 *subsection 4; and*

27 *(d) Are necessary for the administration of the database.*

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

29 604A.015 1. "Automated loan machine" means any machine
30 or other device, regardless of the name given to it or the technology
31 used, that:

32 (a) Is automated;

33 (b) Is designed or intended to allow a customer, without any
34 additional assistance from another person, to receive or attempt to
35 receive a deferred deposit loan or ~~high-interest~~ **title** loan through
36 the machine or other device; and

37 (c) Is set up, installed, operated or maintained by or on behalf of
38 the person making the loan or any agent, affiliate or subsidiary of
39 the person.

40 2. The term does not include any machine or other device used
41 directly by a customer to access the Internet unless the machine or
42 other device is made available to the customer by the person making
43 the loan or any agent, affiliate or subsidiary of the person.



1 **Sec. 7.** NRS 604A.040 is hereby amended to read as follows:
2 604A.040 “Customer” means any person who receives or
3 attempts to receive check-cashing services, deferred deposit loan
4 services ~~[, high interest loan services]~~ or title loan services from
5 another person.

6 **Sec. 8.** NRS 604A.045 is hereby amended to read as follows:
7 604A.045 1. “Default” means the failure of a customer to:

8 (a) Make a scheduled payment on a loan on or before the due
9 date for the payment under the terms of a lawful loan agreement and
10 any grace period that complies with the provisions of NRS
11 604A.210 or under the terms of any lawful ~~[extension or]~~ repayment
12 plan relating to the loan and any grace period that complies with the
13 provisions of NRS 604A.210; or

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

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

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

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

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

26 604A.075 “Licensee” means any person who has been issued
27 one or more licenses to operate a check-cashing service, deferred
28 deposit loan service ~~[, high interest loan service]~~ or title loan service
29 pursuant to the provisions of this chapter.

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

31 604A.080 “Loan” means any deferred deposit loan ~~[, high~~
32 ~~interest loan]~~ or title loan, or any ~~[extension or]~~ repayment plan
33 relating to such a loan, made at any location or through any method,
34 including, without limitation, at a kiosk, through the Internet,
35 through any telephone, facsimile machine or other
36 telecommunication device or through any other machine, network,
37 system, device or means.

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

39 604A.210 The provisions of this chapter do not prohibit a
40 licensee from offering a customer a grace period on the repayment
41 of a loan , ~~[for an extension of a loan,]~~ except that the licensee shall
42 not charge the customer:

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

44 2. Any additional fees or additional interest on the outstanding
45 loan during such a grace period.



1 **Sec. 12.** NRS 604A.250 is hereby amended to read as follows:

2 604A.250 The provisions of this chapter do not apply to:

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

11 2. A person who is primarily engaged in the retail sale of goods
12 or services who:

13 (a) As an incident to or independently of a retail sale or service,
14 from time to time cashes checks for a fee or other consideration of
15 not more than \$2; and

16 (b) Does not hold himself or herself out as a check-cashing
17 service.

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

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

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

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

28 7. A pawnbroker, unless the pawnbroker operates a check-
29 cashing service, deferred deposit loan service ~~[- high interest loan~~
30 ~~service]~~ or title loan service.

31 8. A real estate investment trust, as defined in 26 U.S.C. § 856.

32 9. An employee benefit plan, as defined in 29 U.S.C. §
33 1002(3), if the loan is made directly from money in the plan by the
34 plan's trustee.

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

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

41 12. Any firm or corporation:

42 (a) Whose principal purpose or activity is lending money on real
43 property which is secured by a mortgage;

44 (b) Approved by the Federal National Mortgage Association as
45 a seller or servicer; and



1 (c) Approved by the Department of Housing and Urban
2 Development and the Department of Veterans Affairs.

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

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

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

10 **Sec. 13.** NRS 604A.400 is hereby amended to read as follows:

11 604A.400 1. A person, including, without limitation, a person
12 licensed pursuant to chapter 675 of NRS, shall not operate a check-
13 cashing service, deferred deposit loan service ~~or high interest loan~~
14 ~~service~~ or title loan service unless the person is licensed with the
15 Commissioner pursuant to the provisions of this chapter.

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

24 3. A person shall not operate a deferred deposit loan service ~~or~~
25 ~~high interest loan service~~ through any automated loan machine, and
26 the Commissioner shall not issue a license that authorizes the
27 licensee to conduct business through any automated loan machine.

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

31 **Sec. 14.** NRS 604A.405 is hereby amended to read as follows:

32 604A.405 1. A licensee shall post in a conspicuous place in
33 every location at which the licensee conducts business under his or
34 her license:

35 (a) A notice that states the fees the licensee charges for
36 providing check-cashing services, deferred deposit loan services ~~or~~
37 ~~high interest loan services~~ or title loan services.

38 (b) A notice that states a toll-free telephone number to the Office
39 of the Commissioner to handle concerns or complaints of customers.
40 ➤ The Commissioner shall adopt regulations prescribing the form
41 and size of the notices required by this subsection.

42 2. If a licensee offers loans to customers at a kiosk, through the
43 Internet, through any telephone, facsimile machine or other
44 telecommunication device or through any other machine, network,
45 system, device or means, except for an automated loan machine



1 prohibited by NRS 604A.400, the licensee shall, as appropriate to
2 the location or method for making the loan, post in a conspicuous
3 place where customers will see it before they enter into a loan, or
4 disclose in an open and obvious manner to customers before they
5 enter into a loan, a notice that states:

6 (a) The types of loans the licensee offers and the fees he or she
7 charges for making each type of loan; and

8 (b) A list of the states where the licensee is licensed or
9 authorized to conduct business from outside this State with
10 customers located in this State.

11 3. A licensee who provides check-cashing services shall give
12 written notice to each customer of the fees he or she charges for
13 cashing checks. The customer must sign the notice before the
14 licensee provides the check-cashing service.

15 **Sec. 15.** NRS 604A.408 is hereby amended to read as follows:

16 604A.408 ~~1. Except as otherwise provided in this chapter,~~
17 ~~the~~ *The* original term of a deferred deposit loan ~~for high interest~~
18 ~~loan~~ must not exceed 35 days.

19 ~~2. The original term of a high interest loan may be up to 90~~
20 ~~days if:~~

21 ~~—(a) The loan provides for payments in installments;~~

22 ~~—(b) The payments are calculated to ratably and fully amortize the~~
23 ~~entire amount of principal and interest payable on the loan;~~

24 ~~—(c) The loan is not subject to any extension; and~~

25 ~~—(d) The loan does not require a balloon payment of any kind.~~

26 ~~3. Notwithstanding the provisions of NRS 604A.480, a~~
27 ~~licensee shall not agree to establish or extend the period for the~~
28 ~~repayment, renewal, refinancing or consolidation of an outstanding~~
29 ~~deferred deposit loan or high interest loan for a period that exceeds~~
30 ~~90 days after the date of origination of the loan.]~~

31 **Sec. 16.** NRS 604A.425 is hereby amended to read as follows:

32 604A.425 1. A licensee shall not ~~1:~~

33 ~~—(a) Make~~ *make* a deferred deposit loan that exceeds 25 percent
34 of the expected gross monthly income of the customer when the
35 loan is made. ~~1: or~~

36 ~~—(b) Make a high interest loan which, under the terms of the loan~~
37 ~~agreement, requires any monthly payment that exceeds 25 percent~~
38 ~~of the expected gross monthly income of the customer.]~~

39 2. A licensee is not in violation of the provisions of this section
40 if the customer presents evidence of his or her gross monthly
41 income to the licensee and represents to the licensee in writing
42 that ~~1:~~

43 ~~—(a) For a~~ *the* deferred deposit loan ~~1: the loan~~ does not exceed
44 25 percent of the customer's expected gross monthly income when
45 the loan is made. ~~1: or~~



1 ~~—(b) For a high interest loan, the monthly payment required under~~
2 ~~the terms of the loan agreement does not exceed 25 percent of the~~
3 ~~customer's expected gross monthly income.]~~

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

5 604A.435 A licensee shall not:

6 1. Accept:

7 (a) Collateral as security for a loan, except that a title to a
8 vehicle may be accepted as security for a title loan.

9 (b) An assignment of wages, salary, commissions or other
10 compensation for services, whether earned or to be earned, as
11 security for a loan.

12 (c) A check as security for a ~~[high interest loan or]~~ title loan.

13 (d) More than one check or written authorization for an
14 electronic transfer of money for each deferred deposit loan.

15 (e) A check or written authorization for an electronic transfer of
16 money for any deferred deposit loan in an amount which exceeds
17 the total of payments set forth in the disclosure statement required
18 by the Truth in Lending Act and Regulation Z that is provided to the
19 customer.

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

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

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

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

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

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

39 604A.440 A licensee shall not:

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

43 2. Commence a civil action or any process of alternative
44 dispute resolution or repossess a vehicle before the customer
45 defaults under the original term of a loan agreement or before the



1 customer defaults under any repayment plan ~~[- extension]~~ or grace
2 period negotiated and agreed to by the licensee and customer, unless
3 otherwise authorized pursuant to this chapter.

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

7 4. Include in any written agreement:

8 (a) A promise by the customer to hold the licensee harmless;

9 (b) A confession of judgment by the customer;

10 (c) An assignment or order for the payment of wages or other
11 compensation due the customer; or

12 (d) A waiver of any claim or defense arising out of the loan
13 agreement or a waiver of any provision of this chapter. The
14 provisions of this paragraph do not apply to the extent preempted by
15 federal law.

16 5. Engage in any deceptive trade practice, as defined in chapter
17 598 of NRS, including, without limitation, making a false
18 representation.

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

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

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

25 604A.445 Notwithstanding any other provision of this chapter
26 to the contrary:

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

28 2. ~~[- The title loan may be extended for not more than six
29 additional periods of extension, with each such period not to exceed
30 30 days, if:~~

31 ~~[- (a) Any interest or charges accrued during the original term of
32 the title loan or any period of extension of the title loan are not
33 capitalized or added to the principal amount of the title loan during
34 any subsequent period of extension;~~

35 ~~[- (b) The annual percentage rate charged on the title loan during
36 any period of extension is not more than the annual percentage rate
37 charged on the title loan during the original term; and~~

38 ~~[- (c) No additional origination fees, set up fees, collection fees,
39 transaction fees, negotiation fees, handling fees, processing fees,
40 late fees, default fees or any other fees, regardless of the name given
41 to the fees, are charged in connection with any extension of the title
42 loan.~~

43 ~~[- 3.]~~ The original term of a title loan may be up to 210 days if:

44 (a) The loan provides for payments in installments;



- 1 (b) The payments are calculated to ratably and fully amortize the
- 2 entire amount of principal and interest payable on the loan;
- 3 (c) The loan is not subject to any extension; and
- 4 (d) The loan does not require a balloon payment of any kind.

5 **Sec. 20.** NRS 604A.450 is hereby amended to read as follows:

6 604A.450 A licensee who makes title loans shall not:

7 1. Make a title loan that exceeds the fair market value of the

8 vehicle securing the title loan.

9 2. ~~Make a title loan without regard to the ability of the~~

10 ~~customer seeking the title loan to repay the title loan, including the~~

11 ~~customer's current and expected income, obligations and~~

12 ~~employment.~~

13 ~~3.~~ Make a title loan without requiring the customer to sign an

14 affidavit which states that:

15 (a) The customer has provided the licensee with true and correct

16 information concerning the customer's income, obligations,

17 employment and ownership of the vehicle; and

18 (b) The customer has the ability to repay the title loan.

19 **Sec. 21.** NRS 604A.455 is hereby amended to read as follows:

20 604A.455 1. Except where in conflict with the provisions of

21 this section, the provisions of chapter 104 of NRS apply to any title

22 loan between a licensee and a customer.

23 2. Except as otherwise provided in this section, if a customer

24 defaults on a title loan, or on any ~~extension or~~ repayment plan

25 relating to the title loan, the sole remedy of the licensee who made

26 the title loan is to seek repossession and sale of the vehicle which

27 the customer used to secure the title loan. The licensee may not

28 pursue the customer personally for:

29 (a) Payment of the loan, unless the licensee proves the customer

30 prevented the repossession and sale of the vehicle by any means,

31 including, without limitation, hiding the vehicle; or

32 (b) Any deficiency after repossession and sale of the vehicle

33 which the customer used to secure the title loan, unless the licensee

34 proves the customer damaged or otherwise committed or permitted

35 waste on the vehicle. For the purposes of this paragraph, it shall not

36 be deemed waste for the customer to continue to use the vehicle in

37 the same manner it was used before the customer entered into the

38 title loan.

39 3. If a vehicle is repossessed pursuant to this section:

40 (a) By the licensee or his or her employees, the licensee shall

41 make reasonably available to the customer any personal property in

42 or upon the vehicle; or

43 (b) By a third party acting on behalf of the licensee, the licensee

44 shall instruct the third party to make reasonably available to the

45 customer any personal property in or upon the vehicle.



1 4. If a customer uses fraud to secure a title loan or if the
2 customer wrongfully transfers any interest in the vehicle to a third
3 party before the title loan is repaid, the licensee may bring a civil
4 action against the customer for any or all of the following relief:

5 (a) The amount of the loan obligation, including, without
6 limitation, the aggregate amount of the interest, charges and fees
7 negotiated and agreed to by the licensee and customer as permitted
8 under this chapter, less any prior payments made by the customer;

9 (b) Reasonable attorney's fees and costs; and

10 (c) Any other legal or equitable relief that the court deems
11 appropriate.

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

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

20 604A.460 1. A customer may rescind a loan on or before the
21 close of business on the next day of business at the location where
22 the loan was initiated. To rescind the loan, the customer must
23 deliver to the licensee:

24 (a) A sum of money equal to the face value of the loan, less any
25 fee charged to the customer to initiate the loan; or

26 (b) The original check, if any, which the licensee gave to the
27 customer pursuant to the loan. Upon receipt of the original check,
28 the licensee shall refund any fee charged to the customer to initiate
29 the loan.

30 2. If a customer rescinds a loan pursuant to this section, the
31 licensee:

32 (a) Shall not charge the customer any fee for rescinding the loan;
33 and

34 (b) Upon receipt of the sum of money or check pursuant to
35 subsection 1, shall give to the customer a receipt showing the
36 account paid in full and:

37 (1) If the customer gave to the licensee a check or a written
38 authorization for an electronic transfer of money to initiate a
39 deferred deposit loan, the check or written authorization stamped
40 "void"; *or*

41 ~~(2) If the customer gave to the licensee a promissory note to
42 initiate a high interest loan, a copy of the promissory note stamped
43 "void" or the receipt stamped "paid in full"; or~~

44 ~~(3) If the customer gave to the licensee a title to a vehicle to
45 initiate the title loan, the title.~~



1 **Sec. 23.** NRS 604A.465 is hereby amended to read as follows:

2 604A.465 1. A customer may pay a loan ~~+, or any extension~~
3 ~~thereof,]~~ in full at any time, without an additional charge or fee,
4 before the date the customer's final payment on the loan ~~+, or any~~
5 ~~extension thereof,]~~ is due.

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

9 (a) Give to the customer:

10 (1) If the customer gave to the licensee a check or a written
11 authorization for an electronic transfer of money to initiate a
12 deferred deposit loan, the check or the written authorization stamped
13 "void"; *or*

14 (2) ~~If the customer gave to the licensee a promissory note to~~
15 ~~initiate a high interest loan, the promissory note stamped "void" or a~~
16 ~~receipt stamped "paid in full"; or~~

17 ~~— (3) If the customer gave to the licensee a title to a vehicle to~~
18 ~~initiate a title loan, the title; and~~

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

21 (1) The name and address of the licensee;

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

24 (3) The date of the payment;

25 (4) The amount paid;

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

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

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

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

32 604A.470 1. A customer may make a partial payment on a
33 loan ~~+, or any extension thereof,]~~ at any time without an additional
34 charge or fee.

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

37 (a) The name and address of the licensee;

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

40 (c) The date of the payment;

41 (d) The amount paid;

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

43 (f) The balance due on the loan; and



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

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

5 604A.475 1. Before a licensee attempts to collect the
6 outstanding balance on a loan in default by commencing any civil
7 action or process of alternative dispute resolution or repossessing a
8 vehicle, the licensee shall offer the customer an opportunity to enter
9 into a repayment plan. The licensee:

10 (a) Is required to make the offer available to the customer for a
11 period of at least 30 days after the date of default; and

12 (b) Is not required to make such an offer more than once for
13 each loan.

14 2. If the licensee intends to commence any civil action or
15 process of alternative dispute resolution or repossess a vehicle in an
16 effort to collect a defaulted loan, the licensee shall deliver to the
17 customer, not later than 15 days after the date of default, or not later
18 than 5 days after a check is not paid upon presentment or an
19 electronic transfer of money fails, whichever is later, written notice
20 of the opportunity to enter into a repayment plan. The written notice
21 must:

22 (a) Be in English, if the initial transaction was conducted in
23 English, or in Spanish, if the initial transaction was conducted in
24 Spanish;

25 (b) State the date by which the customer must act to enter into a
26 repayment plan;

27 (c) Explain the procedures the customer must follow to enter
28 into a repayment plan;

29 (d) If the licensee requires the customer to make an initial
30 payment to enter into a repayment plan, explain the requirement and
31 state the amount of the initial payment and the date the initial
32 payment must be made;

33 (e) State that the customer has the opportunity to enter into a
34 repayment plan with a term of at least 90 days after the date of
35 default; and

36 (f) Include the following amounts:

37 (1) The total of payments or the remaining balance on the
38 original loan;

39 (2) Any payments made on the loan;

40 (3) Any charges added to the loan amount allowed pursuant
41 to the provisions of this chapter; and

42 (4) The total amount due if the customer enters into a
43 repayment plan.

44 3. Under the terms of any repayment plan pursuant to this
45 section:



- 1 (a) The customer must enter into the repayment plan not later
2 than 30 days after the date of default, unless the licensee allows a
3 longer period;
- 4 (b) The licensee must allow the period for repayment to extend
5 at least 90 days after the date of default, unless the customer agrees
6 to a shorter term;
- 7 (c) The licensee may require the customer to make an initial
8 payment of not more than 20 percent of the total amount due under
9 the terms of the repayment plan;
- 10 (d) For a deferred deposit loan:
- 11 (1) The licensee may require a customer to provide, as
12 security, one or more checks or written authorizations for an
13 electronic transfer of money which equal the total amount due under
14 the terms of the repayment plan;
- 15 (2) The licensee shall, if the customer makes a payment in
16 the amount of a check or written authorization taken as security for
17 that payment, return to the customer the check or written
18 authorization stamped "void" or destroy the check or written
19 authorization; and
- 20 (3) The licensee shall not charge any fee to the customer
21 pursuant to NRS 604A.490 for a check which is provided as security
22 during the repayment plan and which is not paid upon presentment
23 if, in connection with that loan, the licensee has previously charged
24 at least one such fee.
- 25 4. If the licensee and customer enter into a repayment plan
26 pursuant to this section, the licensee shall honor the terms of the
27 repayment plan, and the licensee shall not:
- 28 (a) Except as otherwise provided by this chapter, charge any
29 other amount to a customer, including, without limitation, any
30 amount or charge payable directly or indirectly by the customer and
31 imposed directly or indirectly by the licensee as an incident to or as
32 a condition of entering into a repayment plan. Such an amount
33 includes, without limitation:
- 34 (1) Any interest, regardless of the name given to the interest,
35 other than the interest charged pursuant to the original loan
36 agreement at a rate which does not exceed the annual percentage
37 rate charged during the term of the original loan agreement; or
- 38 (2) Any origination fees, set-up fees, collection fees,
39 transaction fees, negotiation fees, handling fees, processing fees,
40 late fees, default fees or any other fees, regardless of the name given
41 to the fee;
- 42 (b) Except as otherwise provided in this section, accept any
43 additional security or collateral from the customer to enter into the
44 repayment plan;



1 (c) Sell to the customer any insurance or require the customer to
2 purchase insurance or any other goods or services to enter into the
3 repayment plan;

4 (d) Make any other loan to the customer ; ~~unless the customer~~
5 ~~is seeking multiple loans that do not exceed the limit set forth in~~
6 ~~NRS 604A.425;~~

7 (e) During the term of the repayment plan, attempt to collect the
8 outstanding balance by commencing any civil action or process of
9 alternative dispute resolution or by repossessing a vehicle, unless
10 the customer defaults on the repayment plan; or

11 (f) Attempt to collect an amount that is greater than the amount
12 owed under the terms of the repayment plan.

13 5. If the licensee and customer enter into a repayment plan
14 pursuant to this section, the licensee shall:

15 (a) Prepare a written agreement establishing the repayment plan;
16 and

17 (b) Give the customer a copy of the written agreement. The
18 written agreement must:

19 (1) Be signed by the licensee and customer; and

20 (2) Contain all of the terms of the repayment plan, including,
21 without limitation, the total amount due under the terms of the
22 repayment plan.

23 6. Each time a customer makes a payment pursuant to a
24 repayment plan, the licensee shall give to the customer a receipt
25 with the following information:

26 (a) The name and address of the licensee;

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

29 (c) The date of the payment;

30 (d) The amount paid;

31 (e) The balance due on the loan or, when the customer makes
32 the final payment, a statement that the loan is paid in full; and

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

36 7. If the customer defaults on the repayment plan, the licensee
37 may, to collect the outstanding balance, commence any civil action
38 or process of alternative dispute resolution or repossess a vehicle as
39 otherwise authorized pursuant to this chapter.

40 **Sec. 26.** NRS 604A.485 is hereby amended to read as follows:

41 604A.485 1. If a customer defaults on a loan ~~for or on any~~
42 ~~extension~~ or repayment plan relating to the loan, whichever is later,
43 the licensee may collect only the following amounts from the
44 customer, less all payments made before and after default:

45 (a) The unpaid principal amount of the loan.



1 (b) The unpaid interest, if any, accrued before the default at the
2 annual percentage rate set forth in the disclosure statement required
3 by the Truth in Lending Act and Regulation Z that is provided to the
4 customer. ~~If there is an extension, in writing and signed by the~~
5 ~~customer, relating to the loan, the licensee may charge and collect~~
6 ~~interest pursuant to this paragraph for a period not to exceed 60 days~~
7 ~~after the expiration of the initial loan period, unless otherwise~~
8 ~~allowed by NRS 604A.480.~~

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

19 (d) Any fees allowed pursuant to NRS 604A.490 for a check
20 that is not paid upon presentment or an electronic transfer of money
21 that fails because the account of the customer contains insufficient
22 funds or has been closed.

23 ➤ The sum of all amounts collected pursuant to paragraphs (b), (c)
24 and (d) must not exceed the principal amount of the loan.

25 2. Except for the interest and fees permitted pursuant to
26 subsection 1 and any other charges expressly permitted pursuant to
27 NRS ~~604A.430,~~ 604A.445 ~~;~~ ~~and~~ 604A.475 , ~~and 604A.487,~~ the
28 licensee shall not charge any other amount to a customer, including,
29 without limitation, any amount or charge payable directly or
30 indirectly by the customer and imposed directly or indirectly by the
31 licensee as an incident to or as a condition of ~~the extension of the~~
32 ~~period for the payment of the loan or~~ the extension of credit. Such
33 prohibited amounts include, without limitation:

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

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

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

41 604A.515 1. In addition to the requirements of any other
42 provision of this chapter, or any applicable law or regulation of this
43 State or federal law or regulation, a licensee who has been issued
44 one or more licenses to operate a deferred deposit loan service ~~;~~
45 ~~high-interest loan service~~ or title loan service pursuant to this



1 chapter shall comply with the provisions of NRS 604A.510 to
2 604A.565, inclusive.

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

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

7 604A.520 1. A licensee who has been issued one or more
8 licenses to operate a deferred deposit loan service ~~{, high interest~~
9 ~~loan service}~~ or title loan service pursuant to this chapter shall
10 comply with the disclosure requirements of NRS 604A.405 and the
11 Federal Truth in Lending Act. A loan agreement between such a
12 licensee and a customer must fully disclose the terms of the
13 transaction, including, without limitation, the amount of any fees
14 charged for providing deferred deposit loan services ~~{, high interest~~
15 ~~loan services}~~ or title loan services represented in both a dollar
16 amount and as an annual percentage rate.

17 2. A licensee described in subsection 1 shall prominently
18 disclose in the loan agreement all fees charged for providing
19 deferred deposit loan services ~~{, high interest loan services}~~ or title
20 loan services to a customer before he or she enters into the
21 transaction process.

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

23 604A.525 A licensee who has been issued one or more licenses
24 to operate a deferred deposit loan service ~~{, high interest loan~~
25 ~~service}~~ or title loan service pursuant to this chapter shall not charge
26 a fee for providing deferred deposit loan services ~~{, high interest~~
27 ~~loan services}~~ or title loan services that is prohibited by an
28 applicable law or regulation of this State or federal law or
29 regulation.

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

31 604A.530 A licensee who has been issued one or more licenses
32 to operate a deferred deposit loan service ~~{, high interest loan~~
33 ~~service}~~ or title loan service pursuant to this chapter shall comply
34 with the provisions of subsection 6 of NRS 604A.440 prohibiting
35 advertisements that are false, misleading or deceptive with regard to
36 the rates, terms or conditions for loans.

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

38 604A.535 A licensee who has been issued one or more licenses
39 to operate a deferred deposit loan service ~~{, high interest loan~~
40 ~~service}~~ or title loan service pursuant to this chapter shall place the
41 following notices on marketing materials and television, print, radio
42 and Internet advertising when space or time reasonably permits:

43 1. Deferred deposit loans ~~{, high interest loans}~~ and title loans
44 should be used for short-term financial needs only and not as a long-
45 term financial solution; and



1 2. Customers with credit difficulties should seek credit
2 counseling before entering into any loan transaction.

3 **Sec. 32.** NRS 604A.540 is hereby amended to read as follows:

4 604A.540 A licensee who has been issued one or more licenses
5 to operate a deferred deposit loan service ~~[, high interest loan
6 service]~~ or title loan service pursuant to this chapter shall not allow
7 a customer to extend, rollover, renew, refinance or consolidate any
8 deferred deposit loan or ~~[high interest loan for a period longer than
9 the period set forth in subsection 3 of NRS 604A.408.] title loan.~~

10 **Sec. 33.** NRS 604A.545 is hereby amended to read as follows:

11 604A.545 A licensee who has been issued one or more licenses
12 to operate a deferred deposit loan service ~~[, high interest loan
13 service]~~ or title loan service pursuant to this chapter shall provide
14 each customer with the ability to rescind any deferred deposit loan ~~[,
15 high interest loan]~~ or title loan in accordance with the provisions of
16 NRS 604A.460.

17 **Sec. 34.** NRS 604A.550 is hereby amended to read as follows:

18 604A.550 A licensee who has been issued one or more licenses
19 to operate a deferred deposit loan service ~~[, high interest loan
20 service]~~ or title loan service pursuant to this chapter must collect
21 past due accounts in a professional, fair and lawful manner in
22 accordance with the provisions of NRS 604A.440 and applicable
23 provisions of the Federal Fair Debt Collection Practices Act, 15
24 U.S.C. § 1692 et seq., as amended. Such a licensee shall not use
25 unlawful threats, intimidation or harassment to collect unpaid
26 accounts.

27 **Sec. 35.** NRS 604A.555 is hereby amended to read as follows:

28 604A.555 A licensee who has been issued one or more licenses
29 to operate a deferred deposit loan service ~~[, high interest loan
30 service]~~ or title loan service pursuant to this chapter shall report to
31 the Commissioner any person the licensee knows, or reasonably
32 should know, is in violation of the provisions of this chapter within
33 30 days after the date the licensee knows, or reasonably should
34 know, of the violation.

35 **Sec. 36.** NRS 604A.560 is hereby amended to read as follows:

36 604A.560 A licensee who has been issued one or more licenses
37 to operate a deferred deposit loan service ~~[, high interest loan
38 service]~~ or title loan service pursuant to this chapter shall provide to
39 any customer who is unable to repay a deferred deposit loan ~~[, high
40 interest loan]~~ or title loan in accordance with the loan agreement
41 between the licensee and the customer the opportunity to enter into a
42 repayment plan pursuant to NRS 604A.475. Such a licensee shall
43 disclose the availability of such a repayment plan to any customer
44 who is unable to repay a loan.



1 **Sec. 37.** NRS 604A.565 is hereby amended to read as follows:

2 604A.565 A licensee that offers deferred deposit loan services
3 ~~{, high interest loan services}~~ or title loan services through an
4 Internet website must be licensed in each state, as applicable, where
5 any of its customers reside and shall comply with any state or
6 federal law or regulation applicable to such jurisdiction.

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

8 604A.655 ~~{I. Except as otherwise provided in this section, a}~~
9 **A** licensee may not conduct the business of making loans within
10 ~~{any}~~ :

11 **I.** Any office, suite, room or place of business in which any
12 other lending business is solicited or engaged ~~{in, except an~~
13 ~~insurance agency or notary public,}~~ or in association or conjunction
14 with any other business ~~{, unless authority to do so is given by the~~
15 ~~Commissioner.}~~ ; **and**

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

18 — (a) A mortgage broker if:

19 — (1) The licensee and the mortgage broker:

20 — (I) Maintain separate accounts, books and records;

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

22 — (III) Maintain separate licenses; and

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

27 — (b) A mortgage banker if:

28 — (1) The licensee and the mortgage banker:

29 — (I) Maintain separate accounts, books and records;

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

31 — (III) Maintain separate licenses; and

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

37 — 3. ~~If a pawnbroker is licensed to operate a check-cashing~~
38 ~~service, deferred deposit loan service, high interest loan service or~~
39 ~~title loan service, the pawnbroker may operate that service at the~~
40 ~~same office or place of business from which he or she conducts~~
41 ~~business as a pawnbroker pursuant to chapter 646 of NRS.}~~ **One**
42 **thousand three hundred twenty feet of any location at which the**
43 **licensee or another licensee conducts the business of lending.**



1 **Sec. 39.** NRS 604A.710 is hereby amended to read as follows:

2 604A.710 1. For the purpose of discovering violations of this
3 chapter or securing information lawfully required under this chapter,
4 the Commissioner or his or her duly authorized representatives may
5 at any time investigate the business and examine the books,
6 accounts, papers and records used therein of:

7 (a) Any licensee;

8 (b) Any other person engaged in the business of making loans or
9 participating in such business as principal, agent, broker or
10 otherwise;

11 (c) Any registered agent who represents a licensee or any other
12 person engaged in the business of making loans; and

13 (d) Any person who the Commissioner has reasonable cause to
14 believe is violating or is about to violate any provision of this
15 chapter, whether or not the person claims to be within the authority
16 or beyond the scope of this chapter.

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

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

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

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

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

39 604A.920 If a person operates a check-cashing service,
40 deferred deposit loan service ~~[, high interest loan service]~~ or title
41 loan service without obtaining a license pursuant to this chapter:

42 1. Any contracts entered into by that person for the cashing of
43 a check or for a deferred deposit loan ~~[, high interest loan]~~ or title
44 loan are voidable by the other party to the contract; and



1 2. In addition to any other remedy or penalty, the other party to
2 the contract may bring a civil action against the person pursuant to
3 NRS 604A.930.

4 **Sec. 41.** NRS 604A.930 is hereby amended to read as follows:

5 604A.930 1. Subject to the affirmative defense set forth in
6 subsection 3, in addition to any other remedy or penalty, if a person
7 violates any provision of NRS 604A.400, 604A.410 to 604A.500,
8 inclusive, *and sections 2 and 3 of this act*, 604A.610, 604A.615,
9 604A.650 or 604A.655 or any regulation adopted pursuant thereto,
10 the customer may bring a civil action against the person for:

11 (a) Actual and consequential damages;

12 (b) Punitive damages, which are subject to the provisions of
13 NRS 42.005;

14 (c) Reasonable attorney's fees and costs; and

15 (d) Any other legal or equitable relief that the court deems
16 appropriate.

17 2. Subject to the affirmative defense set forth in subsection 3,
18 in addition to any other remedy or penalty, the customer may bring a
19 civil action against a person pursuant to subsection 1 to recover an
20 additional amount, as statutory damages, which is equal to \$1,000
21 for each violation if the person knowingly:

22 (a) Operates a check-cashing service, deferred deposit loan
23 service ~~{, high interest loan service}~~ or title loan service without a
24 license, in violation of NRS 604A.400;

25 (b) Fails to include in a loan agreement a disclosure of the right
26 of the customer to rescind the loan, in violation of NRS 604A.410;

27 (c) Violates any provision of NRS 604A.420;

28 (d) Accepts collateral or security for a deferred deposit loan, in
29 violation of NRS 604A.435, except that a check or written
30 authorization for an electronic transfer of money shall not be
31 deemed to be collateral or security for a deferred deposit loan;

32 (e) Uses or threatens to use the criminal process in this State or
33 any other state to collect on a loan made to the customer, in
34 violation of NRS 604A.440;

35 (f) Includes in any written agreement a promise by the customer
36 to hold the person harmless, a confession of judgment by the
37 customer or an assignment or order for the payment of wages or
38 other compensation due the customer, in violation of
39 NRS 604A.440;

40 (g) Violates any provision of NRS 604A.485;

41 (h) Violates any provision of NRS 604A.490; or

42 (i) Violates any provision of NRS 604A.442.

43 3. A person may not be held liable in any civil action brought
44 pursuant to this section if the person proves, by a preponderance of
45 evidence, that the violation:



- 1 (a) Was not intentional;
- 2 (b) Was technical in nature; and
- 3 (c) Resulted from a bona fide error, notwithstanding the
- 4 maintenance of procedures reasonably adapted to avoid any such
- 5 error.

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

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

12 239.010 1. Except as otherwise provided in this section and
13 NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440,
14 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320,
15 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246,
16 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355,
17 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730,
18 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260,
19 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370,
20 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161,
21 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817,
22 130.312, 130.712, 136.050, 159.044, 172.075, 172.245, 176.015,
23 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715,
24 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160,
25 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651,
26 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040,
27 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350,
28 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270,
29 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300,
30 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140,
31 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020,
32 241.030, 241.039, 242.105, 244.264, 244.335, 250.087, 250.130,
33 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195,
34 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438,
35 289.025, 289.080, 289.387, 289.830, 293.5002, 293.503, 293.558,
36 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335,
37 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420,
38 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100,
39 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610,
40 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008,
41 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259,
42 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147,
43 392.264, 392.271, 392.850, 394.167, 394.1698, 394.447, 394.460,
44 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885,
45 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749,



1 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872,
2 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430,
3 432B.560, 433.534, 433A.360, 439.840, 439B.420, 440.170,
4 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665,
5 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 453.720,
6 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866,
7 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240,
8 463.3403, 463.3407, 463.790, 467.1005, 480.365, 481.063, 482.170,
9 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070,
10 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655,
11 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070,
12 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315,
13 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110,
14 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,
15 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336,
16 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301,
17 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085,
18 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075,
19 640A.220, 640B.730, 640C.400, 640C.745, 640C.760, 640D.190,
20 640E.340, 641.090, 641A.191, 641B.170, 641C.760, 642.524,
21 643.189, 644.446, 645.180, 645.625, 645A.050, 645A.082,
22 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135,
23 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945,
24 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110,
25 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310,
26 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243,
27 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690,
28 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873,
29 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115,
30 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190,
31 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615,
32 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230,
33 710.159, 711.600, *and section 5 of this act*, sections 35, 38 and 41
34 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter
35 391, Statutes of Nevada 2013 and unless otherwise declared by law
36 to be confidential, all public books and public records of a
37 governmental entity must be open at all times during office hours to
38 inspection by any person, and may be fully copied or an abstract or
39 memorandum may be prepared from those public books and public
40 records. Any such copies, abstracts or memoranda may be used to
41 supply the general public with copies, abstracts or memoranda of the
42 records or may be used in any other way to the advantage of the
43 governmental entity or of the general public. This section does not
44 supersede or in any manner affect the federal laws governing
45 copyrights or enlarge, diminish or affect in any other manner the



1 rights of a person in any written book or record which is
2 copyrighted pursuant to federal law.

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

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

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

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

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

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

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

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

30 675.060 1. No person may engage in the business of lending
31 in this State without first having obtained a license from the
32 Commissioner pursuant to this chapter for each office or other place
33 of business at which the person engages in such business, except
34 that if a person intends to engage in the business of lending in this
35 State as a deferred deposit loan service ~~+, high-interest loan service+~~
36 or title loan service, as those terms are defined in chapter 604A of
37 NRS, the person must obtain a license from the Commissioner
38 pursuant to chapter 604A of NRS before the person may engage in
39 any such business.

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

42 (a) Solicits loans in this State or makes loans to persons in this
43 State, unless these are isolated, incidental or occasional transactions;
44 or



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

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

7 **Sec. 46.** The provisions of paragraph (b) of subsection 1 of
8 NRS 604A.655, as amended by section 38 of this act, do not apply
9 to a location at which a person licensed pursuant to chapter 604A of
10 NRS conducts the business of making loans on or before January 1,
11 2018, unless the licensee ceases to conduct business at that location
12 for 18 or more consecutive months.

13 **Sec. 47.** NRS 604A.0703, NRS 604A.0705, NRS 604A.407,
14 604A.430, 604A.480 and 604A.487 are hereby repealed.

15 **Sec. 48.** This act becomes effective:

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

19 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.**

