

**PROPOSED REGULATION OF THE COMMISSIONER
OF MORTGAGE LENDING**

LCB File No. R159-04

(This language was previously part of R087-04)

September 1, 2004

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

AUTHORITY: §§1-3, NRS 645B.060.

A REGULATION relating to mortgage brokers and mortgage agents; establishing requirements for signs of a mortgage broker; and providing other matters properly relating thereto.

Section 1. Chapter 645B of NAC is hereby amended by adding thereto a new section to read as follows:

A mortgage broker shall maintain a permanent sign that includes the name of the mortgage broker at each place of business of the mortgage broker, including, but not limited to, each branch office of the mortgage broker. This sign must be:

- 1. Readable from the nearest public sidewalk, street or highway; or*
- 2. If the place of business of the mortgage broker is an office building, posted on the building directory of the office building or near the entrance to the office building on the exterior of the building.*

Sec. 2. NAC 645B.020 is hereby amended to read as follows:

645B.020 **1.** An applicant must submit with his application for a license pursuant to chapter 645B of NRS:

~~11~~ (a) A copy of his business license, when applicable, or his application for such a license if he has not obtained one.

~~12~~ (b) A copy of the certificate filed by the mortgage broker pursuant to chapter 602 of NRS indicating the fictitious name of the mortgage broker, if any.

~~13~~ (c) If the applicant is a corporation, a copy of:

~~1(a)~~ (1) Its articles of incorporation and its bylaws;

~~1(b)~~ (2) Its balance sheet and a statement of the profit and loss of the corporation for the 2 years immediately preceding the year of the application; and

~~1(e)~~ (3) The most recent list of its officers and resident agents that is filed with the Secretary of State.

~~14~~ (d) If the applicant is a partnership or joint venture, a copy of the agreement of partnership or joint venture and the financial statements of the general partners for the 2 years immediately preceding the year of the application.

~~15~~ (e) If the applicant is a corporation being organized, a copy of its proposed articles of incorporation and its bylaws.

~~16~~ (f) If the applicant is a limited-liability company, a copy of:

~~1(a)~~ (1) Its articles of organization and operating agreement;

~~1(b)~~ (2) A statement of the profit and loss of the limited-liability company for the 2 years immediately preceding the year of the application; and

~~1(e)~~ (3) The most recent list of its members or managers, and resident agents, that is filed with the Secretary of State.

(g) A copy of the lease of the applicant or other document which includes the address of the place of business of the applicant.

(h) Documentation from the appropriate municipal or county authority which indicates that local ordinances allow permanent business signs to be maintained at the place of business of the applicant.

2. If an applicant has received a letter of conditional approval of his application from the Division which imposes additional requirements that the applicant must satisfy to obtain a license, the applicant must comply with those requirements within 30 days after the date on which the letter was issued by the Division. If the applicant does not satisfy all additional requirements set forth in the letter within the period prescribed in this subsection, the conditional approval of the application will be deemed to have expired and the applicant must reapply to obtain a license. The Commissioner may, for good cause, extend the 30-day period prescribed in this subsection.

Sec. 3. NAC 645B.030 is hereby amended to read as follows:

645B.030 1. An applicant must submit with his application for a branch license:

(a) The name, residence address and telephone number of the qualified employee designated to manage the branch office; ~~and~~

(b) The ~~registration form required pursuant to NRS 645B.450 for~~ *name of* each mortgage agent who intends to work at the branch office ~~;~~ *; and*

(c) Documentation from the appropriate municipal or county authority which indicates that local ordinances allow permanent business signs to be maintained at the branch office.

2. The Commissioner will approve an application for a branch office if:

(a) The principal office of the mortgage broker has been examined by the Commissioner and has received at least a satisfactory rating ~~;~~

~~—(b) The mortgage broker has registered with the Division pursuant to NRS 645B.450 any mortgage agent who intends to work at the branch office; and~~

~~—(c)] *during the preceding 12 months; and*~~

(b) The Commissioner approves a qualified employee to manage the branch office. The Commissioner will not approve a qualified employee to manage a branch office if the qualified employee manages or has been designated and approved to manage another office.

3. *The Commissioner may waive the requirements of subsection 2 upon good cause shown.*

4. A license for a branch office may be issued only in the name in which the mortgage broker is licensed to conduct business at his principal office.

~~[4.]~~ 5. Each branch office must conspicuously display its license at the branch office.

~~[5.]~~ 6. A mortgage broker is responsible for and shall supervise:

(a) Each branch office of the mortgage broker; and

(b) Each qualified employee and mortgage agent authorized to conduct mortgage lending activity at a branch office of the mortgage broker.