

**ADOPTED REGULATION OF THE
COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS**

LCB File No. R199-09

Effective May 5, 2011

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

AUTHORITY: §1, NRS 116.310313.

A REGULATION relating to common-interest communities; establishing provisions concerning fees charged by an association or a person acting on behalf of an association to cover the costs of collecting a past due obligation of a unit's owner; and providing other matters properly relating thereto.

Section 1. Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 5, to cover the costs of collecting any past due obligation of a unit's owner, an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed a total of \$1,950, plus the costs and fees described in subsections 3 and 4.

2. An association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed the following amounts:

(a) Demand or intent to lien letter	\$150
(b) Notice of delinquent assessment lien	325
(c) Intent to notice of default letter	90
(d) Notice of default.....	400
(e) Intent to notice of sale letter	90
(f) Notice of sale.....	275
(g) Intent to conduct foreclosure sale	25
(h) Conduct foreclosure sale	125
(i) Prepare and record transfer deed.....	125
(j) Payment plan agreement - One-time set-up fee.....	30
(k) Payment plan breach letter.....	25
(l) Release of notice of delinquent assessment lien.....	30
(m) Notice of rescission fee	30
(n) Bankruptcy package preparation and monitoring	100
(o) Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien, notice of default and notice of sale.....	2
(p) Insufficient funds fee.....	20
(q) Escrow payoff demand fee.....	150
(r) Substitution of agent document fee	25
(s) Postponement fee.....	75
(t) Foreclosure fee	150
3. If, in connection with an activity described in subsection 2, any costs are charged to an association or a person acting on behalf of an association to collect a past due obligation by a	

person who is not an officer, director, agent or affiliate of the community manager of the association or of an agent of the association, including, without limitation, the cost of a trustee's sale guarantee and other title costs, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, the association or person acting on behalf of an association may recover from the unit's owner the actual costs incurred without any increase or markup.

4. If an association or a person acting on behalf of an association is attempting to collect a past due obligation from a unit's owner, the association or person acting on behalf of an association may recover from the unit's owner:

(a) Reasonable management company fees which may not exceed a total of \$200; and

(b) Reasonable attorney's fees and actual costs, without any increase or markup, incurred by the association for any legal services which do not include an activity described in subsection 2.

5. If an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner is engaging in the activities set forth in NRS 116.31162 to 116.31168, inclusive, with respect to more than 25 units owned by the same unit's owner, the association or person acting on behalf of an association may not charge the unit's owner fees to cover the costs of collecting a past due obligation which exceed a total of \$1,950 multiplied by the number of units for which such activities are occurring, as reduced by an amount set forth in a resolution adopted by the executive board, plus the costs and fees described in subsections 3 and 4.

6. For a one-time period of 15 business days immediately following a request for a payoff amount from the unit's owner or his or her agent, no fee to cover the cost of collecting a past

due obligation may be charged to the unit's owner, except for the fee described in paragraph (q) of subsection 2 and any other fee to cover any cost of collecting a past due obligation which is imposed because of an action required by statute to be taken within that 15-day period.

7. As used in this section, "affiliate of the community manager of the association or of an agent of the association" means any person who controls, is controlled by or is under common control with a community manager or such agent. For the purposes of this subsection:

(a) A person "controls" a community manager or agent if the person:

(1) Is a general partner, officer, director or employer of the community manager or agent;

(2) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the community manager or agent;

(3) Controls in any manner the election of a majority of the directors of the community manager or agent; or

(4) Has contributed more than 20 percent of the capital of the community manager or its agent.

(b) A person "is controlled by" a community manager or agent if the community manager or agent:

(1) Is a general partner, officer, director or employer of the person;

(2) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the person;

(3) Controls in any manner the election of a majority of the directors of the person; or

(4) Has contributed more than 20 percent of the capital of the person.

(c) Control does not exist if the powers described in this subsection are held solely as security for an obligation and are not exercised.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED
BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066
LCB FILE NO. R199-09**

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 116.

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

Notice of the proposed regulation was posted on the Real Estate Division website, at each State library and in various other public locations where both the public and other interested persons would have access to that information.

The Division conducted two public workshops and an adoption hearing, all of which were video conferenced to Las Vegas and Carson City. Public comment was solicited at each workshop and at the adoption hearing.

Number of persons who attended:

	<u>CC</u>	<u>LV</u>
Attended Adoption: 12/07/10	7	25
Submitted written comments	0	0
Attended Workshop: 07/08/10	3	20
Submitted written comments:	0	7
Attended Workshop: 03/24/10	15	86
Submitted written comments:	0	6

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

The public was invited to comment at each public workshop and hearing or in writing. Additionally, since March 2005 through December 7, 2010, the Commission has had a standing agenda item each meeting to discuss and review Chapters 116, 116A and 116B of NAC in order to make recommendations for proposed changes, additions, and deletions. At each public meeting, the Commission has considered possible changes to the Nevada Administrative Code for Chapters 116, 116A and 116B and solicited public comment, to discuss and formulate their proposals for changes.

Interested persons were instructed that they could obtain copies of comment summaries by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4036.

Minutes of the Commission's meetings are available on the Division website and by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4036.

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

There were changes made to the regulation based upon public comment made at the two workshops and at the December 7, 2010 Adoption Hearing.

4. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:

Business which it is to regulate:

(a) Both adverse and beneficial effects:

R199-09 is a result stemming from the passage of AB350, during the 2009 Legislative Session. The intent of this regulation is to authorize an association to charge reasonable fees for costs associated with collecting any past due obligation.

(b) Both immediate and long-term effects.

Same as in (a).

5. Public:

(a) Both adverse and beneficial effects:

Revises provisions relating to costs of collection on certain past due assessments.

(b) Both immediate and long-term effects:

Same as in (a).

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

The agency currently has the appropriate number of staff to enforce this regulation at no additional cost.

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

None.

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

None.

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

There are no new fees or increases in existing fees to the Real Estate Division.

LCB FILE No. R199-09

March 24, 2010

Sawyer Building
555 E. Washington, Suite 4412
Las Vegas, NV 89101

Video conferenced to:

Legislative Building
401 S. Carson St.
Room 2134
Carson City, NV 89701

Commissioners present in Las Vegas: Michael Buckley, Favil West, Randy Watkins, Jeannie Redinger, Donna Toussaint and Gary Lein

Commissioners present in Carson City: Marilyn Brainard. Also present: Commission Counsel, Senior Deputy Attorney General, Deonne Contine.

Las Vegas Staff: Joanne Gierer, Teralyn Thompson, Sonya Meriweather, Susan Clark, Bruce Alitt, Nick Haley, Lindsey Waite, Doug Garrin, Ingrid Trillo and Vicky Broadbent.

Division Counsel, Senior Deputy Attorney General, Nancy Savage.

Carson City Staff: Christopher Cooke.

Chairman Buckley conducted the workshop.

Start time: 10:26 a.m.

Section 1: No comment.

Sec. 2: **Las Vegas: Senator Richard Bryan** stated that he is here to give testimony on this regulation because he felt it would be helpful to discuss the fees and put them in some kind of context and the steps taken. Collection fees might not be in the best interest or benefit a homeowner who is in default and that some of the fees are not reasonable. There is also a loophole that he would like point out to the Commission. If the fees are adopted as proposed, it would be possible for a collection agency to create another fee identified as something beyond the scope of what you're adopting and **that** would not be included in the scope of what you are contemplating within this regulation. Senator Bryan stated that he feels that there should be a cap on the fees.

Las Vegas: Anita McFarland discussed what are reasonable collection fees. Every single collection company that uses a 4 step collection process uses a data base that takes 20 – 30 minutes to input data. For the purpose of producing anything on the proposed regulation list of fees, all it takes is the push of a button. It doesn't take any longer to produce a demand or intent to lien letter than it does to produce a notice of default. Ms. McFarland stated that there is a disparity of prices within this regulation that have no relation to the actual work performed.

Charging a homeowner a debt dispute fee of \$75 is inappropriate due to the fact that a payoff demand might be wrong 3 times due to timing. Payoffs are good for 10 days, sometimes 1 day, and never good for 30 days. Ms. McFarland feels this fee is totally inappropriate.

Las Vegas: Stephanie Cooper Hardman: Shared her experience with the foreclosure process. Ms. Hardman is concerned about subsection 3 of this regulation. Can see where this will create sub-companies in order to be their own vender for the purpose of adding their fees back in that way. Thinks the fees should be capped by the Commission.

Las Vegas: Puoy Premsrirut: Ms. Premsrirut gave a presentation on Super Priority Liens. Ms. Premsrirut stated that collection fees not only impact the homeowner but also impact the new owner who buys the foreclosed home. Ms. Premsrirut stated that she would urge the Commission to consider the broad framework in reviewing these collection costs.

Las Vegas: Richard Bryan: We recognize that there are reasonable fees but there are outside abuses that need to be corrected because they damage not only the subsequent purchaser, the association and maybe the individual property owner. The fees must be relevant to the amount of the work that is involved. Secondly, by adopting a fee schedule that is specific, you do leave it open to for other new fees to be categorized in a different way that are numerated here, which in effect, would circumvent the attention of this Commission. There needs to be some mechanism that creates a cap on fees.

Las Vegas: Commissioner West: Concerned about capping anyone's fee's and would like to see the market set the standard.

Las Vegas: Commissioner Toussaint: Commissioner Toussaint stated that she is a fan of the super priority lien.

Las Vegas: Stephanie Cooper Hardman: The free market does reign and if she is able to bring that fair market price to make a profit at that rate, she will do that work, and if not, she will defer the work.

Las Vegas: Chairman Buckley: The collection fees are what the association has to pay and in that since the Commission is charged in seeing that associations do not have to pay unreasonable collection fees.

Las Vegas: Senator Richard Bryan: The fees must be reasonable. Some of these fees bare no relationship to what work is actually done.

Sec. 3: Las Vegas: David Stone, owner of Nevada Association Services: Mr. Stone's collection agency only represents community associations. Mr. Stone stated that the R199-09 fee schedule is the maximum of what can be charged. The fees are structured to the risk level of liability as a case goes through the collection process. Mr. Stone said he is here to make money, he charges up and beyond what his costs are to make a profit.

Carson City: Michael Parsons: Concurred with the earlier recommendations made by Senator Richard Bryan. Mr. Parsons suggested that there be no additional fees other than those for the notices that have been Required by statute. Would also like to see the description of fees further reviewed and that there is a cap on fees.

Las Vegas: Sabrina Gayhart: Ms. Gayhart stated that as a matter of business practice the collection agency that she manages likes to notice homeowners throughout the collection process, which is more times than is statutorily required.

Carson City: Sue King: Stated that it is very unclear to associations as to what they can recoup.

Las Vegas: Jack Baron: Stated that collection agencies provide a valuable service for associations. A homeowner has an obligation to pay their fees or the entire association suffers. Huge collection fees are a cost of doing business.

Las Vegas: Sean Stone: Stated that in the interest of full disclosure he is the brother of David Stone. There are consequences of the government in making it so difficult to prevent associations from officially and effectively allowing assessment collections for communities. If you don't let associations in this state hire collection agencies like David Stones, associations will suffer more damages, as in Arizona. Mr. Stone suggested that the Commission keep the fees that are in this regulation as is.

Las Vegas: Steven Parker, RMI: Stated that at the end of the day he is confident that the Commission will come up with an equitable solution, however, as part of that solution it is important there should be a fair comparison as to several things that have been thrown out. Mr. Parker stated that many of the items that he performs in his office as part of the collection process do not appear in the list of fees in this regulation.

Mr. Parker referred to a 12 page packet that was provided to the Commission.

Las Vegas: Chris Yergensen: If a balance is out there, his company has the legal right to collect that amount from the association.

Carson City: Sue King: Ms. King commented on Mr. Stone's comment regarding an association foreclosing on a homeowner. Ms. King asked if the association loses their right to the super priority lien? Ms. King stated that it is very unclear if the association loses that right and if whether that amount can be collected from the next purchaser or the bank.

Las Vegas: Commissioner Randy Watkins: If the association chooses to foreclose, the question is how does the super priority lien come into that? Commissioner Watkins stated that the association is the next owner so they are responsible for the super priority lien and should be treated like any other purchaser.

Las Vegas: Whitney Williams: Mr. Williams stated that he is currently a member of a class action lawsuit against Nevada Association Services. Mr. Williams indicated that he had picked up a paper on the back table that was submitted by Nevada Association Services outlining their collection fee charges. Mr. Williams stated that the agency collected over 5 ½ times what the association would get. David Stone pushes the envelope and nothing will ever be minimum with David Stone, it will always be at a maximum. Five times over what the association will get is not reasonable. Mr. Williams stated that he would rather work with the association to pay their dues, and by pass the collection process in order to make them whole and make nice communities.

Las Vegas: Tracey Donley: Ms. Donley stated that she is attending this workshop because she deals with the people in the pre-foreclosure market whose homes are being forced into foreclosures. Ms. Donley stated that she has sat here today listening to people demonize people who have lost their jobs and have listened to people here villainize people who are out of work. There is a parity for pre-foreclosed upon people and the banks, either you are going to access the whole amount to the bank or you're going to do your super priority lien. The homeowner in default has to be treated the same way as the bank does.

There as to be regulations on both side of the table. You're here to protect the public and not the collection agencies and stop saying the public is the enemy.

Las Vegas: Commissioner West: Asking the same question as was asked of the attorney's. Appreciates Ms. Donley's sympathy towards the homeowners but how would you feel if your commission fees were capped?

Las Vegas: Tracey Donley: I am capped by the banks and earn less money now than ever before. I am here for a different reason. These are different times, this is not business as usual. Maybe these people were sold on a loan that they didn't quite

understand and they're losing their homes. Someone has to step in and help them. In trying to assist homeowners from losing their homes Ms. Donley stated that she is being stonewalled by excessive collection fees.

Las Vegas: Chairman Buckley: Doesn't know how the Commission can get involved in saying well, these people get a different break because they are going to get a short sale and these other people don't get a break because they're going into foreclosure.

Las Vegas: Tracey Donley: the solution is this....there are people who just don't want to pay their assessments. And then there people who have an absolute desperate need. If a bank has approved someone for a short sale then they have done all the work. If a bank has already done the work they will already know if that person is in a desperate way and needs the help.

Las Vegas: Commissioner Watkins: Stated that we are getting way off track with this regulation. Commissioner Watkins stated that he would like to move on.

Lunch break 12:15 p.m. to 1:22 p.m.

R199-09 Workshop reconvened at 1:22 p.m.

Las Vegas: Jonathan Friedrich: Stated that a lot has been said today. A lawsuit was filed several weeks ago alleging gross overcharging by 125 homeowner associations and 6 collection agencies. Members and/or principals of the six collection agencies named in the lawsuit appeared before this Commission on December 10, 2009, for the purpose of proposing rates and/or fees they should charge in regulation R199-09. This Commission was letting the fox tell the farmer how the fox wanted to guard the henhouse. The Commission should ignore the fee schedule proposed by the collection agencies and fashion their own fee schedule that will be kinder and gentler to homeowners.

Carson City: Mike Trudell: NRS 116 requires that managers used the experts to collect assessments. Does not have any issues with the proposed fees but feels that there should be limits set as to what can be charged.

Las Vegas: Kay Dwyer: Stated that she is speaking on behalf of collection agencies and the last time she checked, it wasn't illegal to try to make a profit. Feels that the market place should set the fees charged.

Las Vegas: Mike Lathigee: Would like the Commission to have some impartiality in the decision making process. Mr. Lathigee stated that he was concerned that several of the Commissioners disclosed at the start of the meeting that they do business with collection agencies. Thinks it should be made public whether or not any of the Commissioners either directly or indirectly receive any form of compensation from any of the collection companies now or in the past. There has to be impartiality and possibly a committee who looks at each Commissioner before Commissioners vote on

this subject. Mr. Lathigee stated that there was input from putting the rate schedule together, David Stone and Chris Yergensen from RMI, but he wasn't aware of anyone else who worked on this.

Carson City: Commissioner Brainard: Read Mr. Lathigee's letter to the Commission, which made statements involving a lot of "we's". Are you representing someone? No letterhead on your letter to the Commission. Who are you?

Las Vegas: Mike Lathigee: Mr. Lathigee stated that he runs an investment club called the Real Estate Insiders Club. Mr. Lathigee also commented that he had a petition, signed by members of this club, who would like to see changes in the process that is going on. Mr. Lathigee stated that he is not a non-profit.

Las Vegas: Kevin Wallace, President and CEO of RMI: Associations have many choices out there for who they chose for collection services. Associations routinely evaluate the performance of their attorney or collection service and routinely fire them. Mr. Wallace read from a 3 page document that was presented to the Commission.

Las Vegas: Ebert Mendez, Real Estate Broker since 1999: Concurs with Senator Richard Bryan's group presentation made earlier today. Mr. Mendez stated that the fees of a collection agency are unreasonable and go way beyond what a person can pay.

Las Vegas: Steven Kondrup, Deputy Commissioner of the Financial Institutions Division: Financial Institutions Division is responsible for the licensing and regulatory compliance of collection agencies in the State of Nevada (**NRS 649**). Mr. Kondrup also stated that his Division examines the daily activities of a collection agency as well as the monies collected. Collection agencies cannot collect more than the law allows. Mr. Kondrup stated that if a constituent question fees of a collection agency, per the Fair Debt Collection Practices Act (**Federal**) they have 30 days from being contacted to submit a written letter requesting documentation as to the validity of the debt. If a constituent feels the debt is erroneous they can file a complaint with the Financial Institutions Division.

Las Vegas: Gail Anderson: It is incumbent upon executive boards who establish working relationship contracts with a collection agency to ensure that they are properly licensed in the State of Nevada to do business in the State of Nevada.

Las Vegas: Mike Randolph – HOA Services Collection Agency: The Financial Institutions Division shows up at his office year, looks through everything, and charges them for the pleasure of it. When a complaint is filed with the Financial Institutions Division, the complaint is sent to him and requires a response within 10 days. All forms sent out by his company requires approval by the Financial Institution Division. This is heavily regulated by the Financial Institution Division. They do an excellent job. Mr. Randolph stated that he feels that the fees in this regulation make sense. Postponement of the notice of sale is not listed and should be. Stated he charges \$75 for this.

Mr. Randolph presented written comment.

Las Vegas: Mike Yergensen: Mr. Yergensen proposed amended language to curb some of the abuses that do occur:

- 1) No collection fees shall be charged to the homeowner unless the collection services are provided, and such collection fees shall be charged to the homeowner at the time the services have been provided. The collection fees charged to the homeowner shall comply with the timeline set forth in the adopted collection policy of the Association and Nevada law.
- 2) No collection fees shall be charged to the homeowner for a period of 30 days immediately following a notice of sale recorded by the first mortgage lien holder.
- 3) No collection fees shall be charged to the homeowner for a one-time period of 15 days immediately following a request for payoff (i.e., a payoff demand) from the homeowner or agent thereof.
- 4) No collection fees shall be charged to the homeowner for a period of 30 days immediately following the date of foreclosure by the first mortgage lien holder.
- 5) Collection fees to the homeowner shall not exceed \$1,950 excluding third party costs.
- 6) Third party costs shall not be through a related party.
- 7) Only those collection fees listed in this regulation may be charged to the homeowner for any services provided in the attempt to collect any past due obligation to the association.

Las Vegas: Troy Kearns: Finds it a little odd that the Commission would allow the Industry to regulate their own industry as far as fees. These people are walking back to their seats after giving testimony and giving each other “fists.” Absurd that everyone is buying off on this. Mr. Kearns suggested that a third party, who is nonexclusive, review this regulation. Collection companies should not be the one to outline their fee structures, it’s just not fair. These people are the ones who make the money off their fees and have the most to gain. Please step outside yourselves and ask if it is better to listen to a third party that doesn’t have anything to gain by submitting their own fee structure.

Las Vegas: Pam Scott: Stated that the issue here, for this Commission, is in setting a regulation to determine how much money can an association pass on to a homeowner.

Las Vegas: Amanda Lewer: Stated that her law firm supports this regulation as well as the \$1,950 cap.

Las Vegas: Lawrence Lutz: Stated that when you work on the fee schedule remember that there is a lot of work that a collection agency does that they don’t charge the association, even when an association changes their minds on assessments and fines. When the association fines the homeowner and it goes into collection, it can come in front the board and the board can reduce or eliminate the fine. The collection agency absorbs those charges and doesn’t fine the association. Mr. Lutz stated he is worried that the payment schedule will not allow the collection agency to make a decent profit. All

those charges that the collection agencies are absorbing now will be charged to the association and we will be worse off in the future than we are now.

Las Vegas: John Dolka: Reminded the Commission that due to mail ceasing to be delivered on Saturday's he would like to see a regulation regarding eliminating fine due dates on Saturday or Sunday. Fines received on a Monday should not be assessed a late fee.

Workshop concluded at 2:46 p.m.

7-C) Discussion and possible action on proposed changes, additions and deletions to NAC 116A and LCB File No. R199-09; including review of public comments from regulation workshop held March 24, 2010.

The Commission was provided with proposed language from Christopher Yergensen and item #5 on the proposed language stated "Collection fees to the homeowner shall not exceed \$1,950.00, excluding third party cost."

Chairman Buckley stated that postponement fees, general limitations and the overall cap should be added to the regulation.

Commissioner West suggested putting an accelerator or a higher cap to avoid having to revisit the regulation in a year.

Commissioner Watkins suggested that the cap be \$2,500.00. Commissioner Redinger agreed with Commissioner Watkins.

Chairman Buckley stated that he would like to keep the cap at \$1,950.00.

Commissioner Watkins suggested adding the language "No collection fees shall be charged to the homeowner for a one-time period of 15 business days immediately following a request for a payoff from the homeowner or agent thereof."

Commissioner Toussaint and Commissioner Lein stated that they would like to keep the cap at \$1,950.00.

Commissioner Brainard moved that the Commission add the language which establishes a maximum fee of \$1,950.00 to the association for collection cost excluding third party, into the next draft of the regulation. Seconded by Commissioner Toussaint. Unanimous decision.

The Commission agreed to add Commissioner Watkins' proposed language, "No collection fees shall be charged to the homeowner for a one-time period of 15 business days immediately following a request for a payoff from the homeowner or agent thereof," to the next draft of the regulation.

The Commission agreed to add a postponement fee of \$75.00 to the next draft of the regulation.

Chairman Buckley stated that he wanted to remove the Homeowner Debt Dispute Fee.

Deonne Contine stated that the Deputy Director of the Financial Institutions Division testified that collection agencies must comply with the Fair Debt Collection Practices Act. Ms. Contine stated that if a collection agency is not in compliance under the Fair Debt Collection Practices Act, the Financial Institutions Division would handle that issue.

Chairman Buckley requested that Ms. Contine or Ms. Anderson contact the Financial Institutions Division to verify that the Homeowner Debt Dispute Fee is permitted by Federal law.

Commissioner West moved that the Commission accept the language with the fee structure and have the new language proposed by the Commission and Mr. Yergensen added into the regulation and move forward. Seconded by Commissioner Watkins. Unanimous decision.

Chairman Buckley stated that he would like for the Division to conduct a workshop on this regulation rather than wait until the next Commission meeting.

LCB FILE No. R199-09

July 8, 2010

Sawyer Building
555 E. Washington, Suite 4401
Las Vegas, NV 89101

Video conferenced to:

Legislative Building
401 S. Carson St.
Room 2135
Carson City, NV 89701

Start time: 1:00 p.m.

Commissioners present in Las Vegas: Gary Lein, Donna Trudeau, Randy Watkins and Favil West. Sr., Deputy AG Nancy Savage served as Commission Counsel.

Commissioners in Carson City: Marilyn Brainard and Jeannie Redinger.

Las Vegas Staff: Gail Anderson, Joanne Gierer and Susan Clark.

Carson City Staff: Christopher Cooke.

Administrator, Gail Anderson conducted the R199-09 Workshop. Ms. Anderson read the entire regulation before asking for public comment.

Bob Roby – homeowner – Las Vegas: Is there a time when I can make comments other than related to this workshop?

Yvonne Schuman LV: REAL Estate Investments: This proposed regulation leaves out issues pertaining to old outstanding collection fees that can go back many years. Feels this regulation needs a new section that only goes back to the 9 month super priority.

Pam Scott: Las Vegas – Summerlin Community Association: Provided written comment.

H. Amanda Davis – Las Vegas – Community Manager at Nicklin Property Management & Investments, Inc.: Provided written comment.

Mike Lathigee – Las Vegas – Representing himself and is a homeowner investor in the State of Nevada. Mr. Lathigee tried to show his 60 second CD but, was unable to do so because the room was not equipped to do so.

Joe Mitale: Las Vegas - Stated that the \$1,950 fee is reasonable.

Ipeani Wyhannes. Las Vegas - Homeowner and realtor: Has lived here for 15 years. There is collection agency abuse to the average Joe, which he stated was the average Joe. Thinks the commissioners are giving the collection agencies free reign.

Rutt Premsrirut – Las Vegas – Homeowner: Commenting on the Intent to Lien Letter. Republic Service does the same kind of letters as collection agencies and they charge far less.

Gail Anderson stated that this regulation was drafted by the agency and not the Legislative Counsel Bureau.

Jonathan Friedrich – Las Vegas – Homeowner: Read from a prepared statement.

Mike Randolph – Las Vegas – Owner of a collection agency: Provided written comment.

Anita McFarland – Las Vegas – Attorney with Cooper Castle Law Firm: They have submitted a document that I have not received as yet.

Ipeani Wyhannes. Las Vegas - Homeowner and realtor stated that \$1,950 is too high of a fee.

Workshop concluded @ 2:15 p.m.