

MORTGAGE LENDING

Bill	Effective Date	Description
<p>AB 144 – Mortgage Broker Licensing NVAR monitored this bill</p>	<p>Effective October 1, 2009</p>	<p>This bill prohibits the results of an annual examination from being released to the public until after a period of time to determine any objections made by the mortgage broker to the results of the examination.</p> <p>This bill also revises the requirements regarding certain information on mortgage brokers that is available to the public for those brokers who make or offer for sale any investments in promissory notes secured by liens on real property.</p> <p>A mortgage broker is prohibited from accepting money from an investor to acquire ownership of a loan secured by a lien on real property unless the broker has first obtained a written appraisal of the real property securing the loan. This bill specifies that the appraisal is to be made no more than 6 months before the broker’s first solicitation for the loan, and the appraisal has to meet certain standards. Furthermore, the bill now requires the mortgage broker to make additional disclosures to an investor if the investor waives the requirement that an appraisal be obtained.</p> <p>AB 144 also revises the requirements regarding disciplinary action for certain violation of law relating to the business of a mortgage broker for those brokers who make or offer for sale any investments in promissory notes secured by liens on real property. If such a mortgage broker receives the lowest possible rating on two consecutive annual or biennial examinations, this bill provides that his license will be suspended or revoked.</p>
<p>AB 152 – Foreclosure Consultants and Loan Modification Consultants NVAR supported this bill</p>	<p>Effective May 29, 2009, for the purpose of adopting regulations and performing any other preparatory actions that are necessary to carry out the provisions of this act; and July 1, 2009, for all other purposes.</p>	<p>This bill first defines the term “loan modification consultant.”</p> <p>It also requires the Commissioner of Mortgage Lending to adopt regulations for the licensing of foreclosure consultants and loan modification consultants, and others who perform certain services for compensation.</p> <p>The bill requires foreclosure and loan modification consultants to execute a written contract with a homeowner before providing certain services for compensation, and directs the Commissioner to adopt regulations describing the information that must be included in said contract.</p> <p>AB 152 requires foreclosure and loan modification consultants to deposit any money received as compensation in a trust account, and requires them to maintain certain records regarding such account. It prohibits withdrawals from the trust account until the completion of services, as agreed upon in the written contract. It also authorizes the Commissioner to inspect and audit the records associated with those trust accounts.</p> <p>This bill also tasks the Commissioner with adopting regulations to establish rates to be paid by licensees for supervision and examinations by the Commissioner or the Division of Mortgage Lending.</p>

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<p>AB 152 (continued)</p>		<p>This bill revises the definition of “homeowner” as it applies to services performed by foreclosure consultants by expanding the definition to include any owner of residence rather than only the owner of a residence in foreclosure.</p> <p>The bill also exempt an attorney at law from the provisions of this bill, unless the services rendered are performed in the course and scope of his employment by or other affiliation with a mortgage broker or mortgage agent. Finally, the bill provides that the violation of certain provisions by such persons constitutes mortgage fraud.</p>
<p>AB 486 – Transactions Voided by Use of Unlicensed Escrow and Mortgage Professionals NVAR monitored this bill</p>	<p>Effective October 1, 2009</p>	<p>This bill provides that if any person engages in the escrow business or the business of a mortgage broker, agent or banker without a license, the contract for the transaction in question may be voided by the other parties to the contract (for contracts entered into before, on or after October 1, 2009). The bill authorizes the Commissioner of Mortgage Lending to impose administrative fine of up to \$50,000 for engaging in such business without a license. This bill also provides that parties to certain escrow and mortgage transactions may bring a civil suit against the person who has engaged in the escrow or mortgage business without a license.</p> <p>This bill provides that a mortgage broker or mortgage agent has a fiduciary duty to his client.</p> <p>This bill authorizes the Commissioner to require escrow agencies, escrow agents, mortgage brokers, mortgage agents and mortgage bankers to pay restitution under certain circumstances.</p> <p>AB 486 requires a mortgage broker, as a condition of doing business in Nevada, to deposit with the Commissioner a corporate surety bond or other security in the amount of \$50,000 for the principal office, and \$25,000 for each branch office, not to exceed an aggregate amount of \$75,000. It also allows a surety to cancel a bond with notice and requires the Commissioner to inform a mortgage broker or agent that his license will be revoked unless an equivalent bond or security is deposited before the cancellation.</p> <p>This bill also increases the maximum fine imposed on escrow agencies or agents from \$500 to \$10,000 for each occurrence of certain violations.</p>

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<p>AB 513 – Escrow and Mortgage Provisions NVAR monitored this bill</p>	<p>Effective May 29, 2009, except for the new educational requirements, which become effective January 1, 2011.</p>	<p>This bill provides that if the beneficial interest in a loan for real property belongs to more than one natural person, the holders of 51 percent or more of the outstanding principal balance may act on behalf of all the holders of the beneficial interests of record.</p> <p>This bill eliminates the exemption of consumer finance companies from licensing and other requirements governing mortgage brokers, mortgage agents and mortgage bankers. It also revises existing law by requiring proof of the right to transact mortgage loans, if applicable, in another jurisdiction as a condition to obtaining an exemption to licensing and other provisions governing mortgage brokers, agents and bankers.</p> <p>This bill establishes educational prerequisites and continuing education requirements for an escrow agent or agency.</p> <p>This bill limits the requirement of a mortgage broker to include a service fee in any loan for which he engages in activity as a mortgage broker to only such loans in which a private investor has acquired a beneficial interest. It also requires that a mortgage broker make additional disclosures pertaining to fees earned by the mortgage broker and any impact such fees may have on the terms of the loan.</p> <p>This bill provides that the jurisdiction and authority of the Commissioner is unaffected by the expiration or voluntary surrender of a license as an escrow agent or agency, mortgage agent or mortgage broker.</p> <p>It also revises existing law to provide that the Commissioner has the discretionary authority, rather than a mandatory obligation, to revoke the license of a mortgage broker or agent under certain circumstances.</p>
<p>AB 523 – Federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 NVAR monitored this bill.</p>	<p>Effective June 8, 2009, for the purpose of adopting regulations, and October 1, 2009, for all other purposes.</p>	<p>This bill implements the federal <i>Secure and Fair Enforcement for Mortgage Licensing Act of 2008</i> and establishes provisions for the licensing and registration with the nationwide mortgage licensing system and registry of residential mortgage loan originators, in compliance with federal law.</p> <p>This bill also increases the maximum administrative fine the Commissioner of Mortgage Lending may impose upon an applicant or a holder of a license as a mortgage broker or mortgage agent for certain violations from \$10,000 to \$25,000 for each violation.</p> <p>This bill repeals provisions for the licensing of certain persons on behalf of a corporation or limited-liability company as mortgage agents.</p>

