

Case No. 79224

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**In the Supreme Court of Nevada**

THE STATE OF NEVADA DEPARTMENT OF  
BUSINESS AND INDUSTRY, FINANCIAL  
INSTITUTIONS DIVISION,

Appellant,

*vs.*

TITLEMAX OF NEVADA, INC., a  
Delaware corporation,

Respondent.

Electronically Filed  
May 20 2020 10:49 p.m.  
Elizabeth A. Brown  
Clerk of Supreme Court

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**APPEAL**

from the Eighth Judicial District Court, Clark County  
The Honorable JERRY A. WIESE II, District Judge  
District Court Case No. A-18-786784-C

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**RESPONDENT'S NRAP 28(f) PAMPHLET  
WITH 2005 AND 2017 LEGISLATIVE HISTORY  
OF ENACTMENT AND AMENDMENTS TO NRS  
CHAPTER 604A**

**VOLUME 5  
PAGES 1001-1098**

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**CERTIFICATE OF SERVICE**

I certify that on May 20, 2020, I submitted the foregoing “Respondent’s NRAP 28(f) Pamphlet with 2005 and 2017 Legislative History of Enactment and Amendments to NRS Chapter 604A” for filing *via* the Court’s eFlex electronic filing system. Electronic notification will be sent to the following:

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Assembly Bill No. 161.

Senator Ford moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 163.

Senator Ford moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 165.

Senator Ford moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 179.

Senator Ford moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 188.

Senator Ford moved that the bill be referred to the Committee on Education.

Motion carried.

Assembly Bill No. 194.

Senator Ford moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 195.

Senator Ford moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 199.

Senator Ford moved that the bill be referred to the Committee on Health and Human Services.

Motion carried.

Assembly Bill No. 202.

Senator Ford moved that the bill be referred to the Committee on Education.

Motion carried.

Assembly Bill No. 203.

Senator Ford moved that Senate Standing Rule No. 40 be suspended and that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 209.

MAY 23, 2017 — DAY 107

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## THE ONE HUNDRED AND SEVENTH DAY

CARSON CITY (Tuesday), May 23, 2017

Senate called to order at 11:39 p.m.

President Hutchison presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Don Baumann.

Gracious Creator, we thank You this morning for our freedom. Since the founding of our Country, freedom has been one of our most deeply-treasured values. We realize that freedom emanates from You.

We also see that freedom must be constantly defended from those who would wish to eradicate it and change our way of life, a fact that is on our hearts in a special way this week. In particular, we ask this morning for Your comfort on those who have suffered in this terrorist attack in Birmingham; we especially ask for Your comfort and peace on all the children and young people impacted.

We thank You and ask for Your protection on those who safeguard all public events in our State, even this gathering today: the Sergeant At Arms and Legislative Security; those charged with security of all public concerts and events throughout our State; and, of course, the brave men and women in our police forces. We thank You for their diligence, training and dedication. Please help these faithful men and women strike that delicate balance between detecting threats and painting with too broad a brush, a balance they all desire so earnestly to achieve.

We ask this in the name of the One who makes us free indeed, Jesus Christ the Lord.

AMEN.

Pledge of allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

### REPORTS OF COMMITTEES

*Mr. President:*

Your Committee on Commerce, Labor and Energy, to which was referred Assembly Bill No. 244, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Commerce, Labor and Energy, to which were referred Assembly Bills Nos. 160, 163, 457, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

KELVIN ATKINSON, *Chair*

*Mr. President:*

Your Committee on Finance, to which was re-referred Senate Bill No. 427, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass as amended.

Also, your Committee on Finance, to which was referred Senate Bill No. 524, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Finance, to which were re-referred Senate Bills Nos. 221, 457, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOYCE WOODHOUSE, *Chair*

*Mr. President:*

Your Committee on Legislative Operations and Elections, to which was referred Senate Bill No. 507, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

NICOLE J. CANNIZZARO, *Chair*

#### MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 22, 2017

*To the Honorable the Senate:*

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 38, 118, 145, 159, 191, 204, 215, 245, 273, 279, 295, 305, 312, 314, 318, 338, 339, 375; Assembly Bills Nos. 141, 480.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 276, 486, 494.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 59, Amendment No. 743; Senate Bill No. 101, Amendment No. 666; Senate Bill No. 163, Amendment No. 715; Senate Bill No. 255, Amendment No. 683; Senate Bill No. 258, Amendment No. 765; Senate Bill No. 366, Amendment No. 714; Senate Bill No. 374, Amendment No. 713, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 742 to Assembly Bill No. 169; Senate Amendment No. 750 to Assembly Bill No. 176; Senate Amendment No. 696 to Assembly Bill No. 223; Senate Amendment No. 773 to Assembly Bill No. 272; Senate Amendment No. 706 to Assembly Bill No. 365; Senate Amendment No. 694 to Assembly Bill No. 464.

CAROL AIELLO-SALA

*Assistant Chief Clerk of the Assembly*

#### MOTIONS, RESOLUTIONS AND NOTICES

Senator Atkinson moved that Assembly Bill No. 160 be taken from the Second Reading File and placed on the Second Reading File, last agenda.

Motion carried.

Senator Spearman moved that Assembly Bill No. 427 be taken from the General File and placed at the top of the General File for the next legislative day.

Motion carried.

Senator Cannizzaro moved that Assembly Bill No. 418 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Cannizzaro moved that Assembly Bill No. 376 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Ford moved that Senate Joint Resolution No. 6 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

Senator Segerblom moved that Assembly Bill No. 25 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

conservation camp crews working on nonreimbursable flooding related projects; and providing other matters properly relating thereto.

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

Section 1. There is hereby appropriated from the State General Fund to the Division of Forestry of the State Department of Conservation and Natural Resources the sum of ~~[\$7,060,885]~~ \$6,063,934 for a projected shortfall related to higher than anticipated costs for fire suppression and emergency response. This appropriation is supplemental to that made by section 26 of chapter 534, Statutes of Nevada 2015, at page 3675.

Sec. 2. There is hereby appropriated from the State General Fund to the Division of Forestry of the State Department of Conservation and Natural Resources the sum of \$182,032 for a projected shortfall related to conservation camp crews working on nonreimbursable flooding related projects. This appropriation is supplemental to that made by section 26 of chapter 534, Statutes of Nevada 2015, at page 3675.

Sec. 3. This act becomes effective upon passage and approval.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

The amendment in Section 1 to Senate Bill No. 524 reduces the amount appropriated from the State General Fund by \$996,951 from \$7,060,885 to \$6,063,934 for a projected shortfall related to higher than anticipated costs for fire suppression and emergency response. In addition, the amendment revises Section 2 to appropriate \$182,032 from the State General Fund to the Forestry Conservation Camp budget for a projected shortfall in project revenues as a result of inmate crews working on flood-related projects that are non-reimbursable. Finally, the effective date of the bill is moved from Section 2 to Section 3.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 163.

Bill read second time.

The following amendment was proposed by the Committee on Commerce, Labor and Energy:

Amendment No. 856.

SUMMARY—Revises provisions governing certain short-term loans. (BDR 52-737)

AN ACT relating to financial services; 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; requiring a person who makes a deferred deposit loan to offer an extended payment plan under certain circumstances; providing that certain contracts for the lease of an animal are subject to certain requirements imposed on high-interest loans; revising provisions governing defaults, lengths of term and grace periods relating to certain short-term loans; requiring certain notices to be posted by a person who is licensed to operate certain loan services; revising the requirements for making a title loan; and providing other matters properly relating thereto.

## Legislative Counsel's Digest:

Existing law establishes standards and procedures governing the making of certain short-term loans, commonly referred to as “payday loans,” “high-interest loans” and “title loans.” (Chapter 604A of NRS) Section 1.3 of this bill: (1) prohibits a person from making such a loan unless the person has determined that the customer has the ability to repay the loan; and (2) establishes the factors that the person making the loan must consider when determining whether a customer has the ability to repay the loan. Section 1.3 also requires that the loan comply with the statutory requirements applicable to the type of loan involved. Section 1.7 of this bill requires a person who makes a deferred deposit loan to offer an extended payment plan to the customer under certain circumstances.

Section 3.5 of this bill includes in the definition of “high-interest loan” a contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose which charges an annual percentage rate of more than 40 percent. Thus, under section 3.5, such lease contracts would be subject to the requirements of existing law for high-interest loans.

Existing law allows for a person making a payday loan, high-interest loan or title loan to offer the customer a grace period concerning repayment of the loan. (NRS 604A.210) Section 3 of this bill distinguishes a grace period from an extension of a loan that complies with certain statutory requirements. Section 4 of this bill prohibits a person making the loan from granting a grace period for the purpose of artificially increasing the amount a customer qualifies to borrow, or, with certain exceptions, from conditioning the grace period on the customer's agreement to a new loan or a modification of the terms of the existing loan or the charging of interest at a rate in excess of that provided by the existing loan agreement.

Existing law requires a person making a payday loan, high-interest loan or title loan to post certain notices in a conspicuous place in every location at which the person conducts business. (NRS 604A.405) Section 5 of this bill provides that the person must post a notice of the existing requirement that the person must offer a repayment plan to a customer who defaults on a loan before the person commences specified collection actions. Section 5 also provides that the person must post a notice that states the process for customers to file a complaint with the Office of the Commissioner of Financial Institutions.

Existing law sets forth certain restrictions on the actions of a person licensed to operate certain loan services. (NRS 604A.440) Section 6 of this bill adds to those restrictions a limitation on the reinitiation of electronic debit transactions.

Existing law provides restrictions on the making of title loans. (NRS 604A.450) Section 7 of this bill adds to those restrictions by specifying that the customer must legally own the vehicle which secures the loan and that the person making the loan cannot consider the income, except for the customer's community ~~income,~~ property, of anyone who is not a legal owner



of the vehicle who enters into a loan agreement with the licensee when determining whether the customer has the ability to repay the loan.

Section 8 of this bill makes conforming changes.

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

Section 1. Chapter 604A of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.7 of this act.

Sec. 1.3. 1. *A licensee shall not make a loan pursuant to this chapter unless the licensee determines pursuant to subsection 2 that the customer has the ability to repay the loan and that the loan complies with the provisions of NRS 604A.425, 604A.450 or subsection 2 of NRS 604A.480, as applicable.*

2. *For the purposes of subsection 1, a customer has the ability to repay a loan if the customer has a reasonable ability to repay the loan, as determined by the licensee after considering, to the extent available, the following underwriting factors:*

- (a) The current or reasonably expected income of the customer;*
- (b) The current employment status of the customer based on evidence including, without limitation, a pay stub or bank deposit;*
- (c) The credit history of the customer;*
- (d) The amount due under the original term of the loan, the monthly payment on the loan, if the loan is an installment loan, or the potential repayment plan if the customer defaults on the loan; and*
- (e) Other evidence, including, without limitation, bank statements, electronic bank statements and written representations to the licensee.*

3. *For the purposes of subsection 1, a licensee shall not consider the ability of any person other than the customer to repay the loan.*

Sec. 1.7. 1. *A licensee shall allow a customer with an outstanding deferred deposit loan to enter into an extended payment plan if the customer:*

- (a) Has not entered into an extended payment plan for the deferred deposit loan during the immediately preceding 12-month period; and*
- (b) Requests an extended repayment plan before the time the deferred deposit loan is due.*

2. *An extended payment plan entered into pursuant to subsection 1 must:*

- (a) Be in writing and be signed by the licensee and customer; and*
- (b) Provide a payment schedule of at least four payments over a period of at least 60 days.*

3. *An extended payment plan entered into pursuant to subsection 1 must not:*

- (a) Increase or decrease the amount owed under the deferred deposit loan.*
- (b) Include any interest or fees in addition to those charged under the terms of the deferred deposit loan.*

4. *If a customer defaults under an extended payment plan entered into pursuant to this section, the licensee may terminate the extended payment plan and accelerate the requirement to pay the amount owed.*

Sec. 2. NRS 604A.045 is hereby amended to read as follows:

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

(a) Make a scheduled payment on a loan on or before the due date for the payment under the terms of a lawful loan agreement *that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable*, and any grace period that complies with the provisions of NRS 604A.210 ; ~~for under the terms of any lawful extension or repayment plan relating to the loan, and any grace period that complies with the provisions of NRS 604A.210;~~ or

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

~~—(1) The~~ the expiration of the ~~[initial]~~ loan period as set forth in a lawful loan agreement *that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable*, and any grace period that complies with the provisions of NRS 604A.210 . ~~the~~ or

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

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

Sec. 3. NRS 604A.070 is hereby amended to read as follows:

604A.070 1. "Grace period" means any period of deferment offered gratuitously by a licensee to a customer if the licensee complies with the provisions of NRS 604A.210.

2. *The term does not include an extension of a loan that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable.*

Sec. 3.5. NRS 604A.0703 is hereby amended to read as follows:

604A.0703 1. "High-interest loan" means a loan made to a customer pursuant to a loan agreement which, under its original terms, charges an annual percentage rate of more than 40 percent.

2. The term includes, without limitation, any single-payment loan, installment loan , ~~or~~ open-ended loan *or contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose* which, under ~~its~~ the original terms ~~of~~ of the loan or contract, charges an annual percentage rate of more than 40 percent.

3. The term does not include:

- (a) A deferred deposit loan;
- (b) A refund anticipation loan; or
- (c) A title loan.

Sec. 4. NRS 604A.210 is hereby amended to read as follows:

604A.210 1. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not ~~charge the customer:~~

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

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

~~1.7 grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.~~

~~2. Except for a loan agreement governed by in compliance with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, where they apply, a licensee shall not:~~

~~(a) Condition the granting of the grace period on the customer making any new loan agreement or adding any addendum or term to an existing loan agreement; or~~

~~(b) Charge the customer interest at a rate in excess of that described in the existing loan agreement.~~

~~2. Grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.]~~

Sec. 5. NRS 604A.405 is hereby amended to read as follows:

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

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

(b) A notice that states that if the customer defaults on a loan, the licensee must offer a repayment plan to the customer before the licensee commences any civil action or process of alternative dispute resolution or repossesses a vehicle.

(c) A notice that states a toll-free telephone number to the Office of the Commissioner to handle concerns or complaints of customers.

(d) A notice that states the process for filing a complaint with the Commissioner.

➤ The Commissioner shall adopt regulations prescribing the form and size of the notices required by this subsection.

2. If a licensee offers loans to customers at a kiosk, through the Internet, through any telephone, facsimile machine or other telecommunication device or through any other machine, network, system, device or means, except for an automated loan machine prohibited by NRS 604A.400, the licensee shall, as appropriate to the location or method for making the loan, post in a conspicuous place where customers will see it before they enter into a loan, or disclose in an open and obvious manner to customers before they enter into a loan, a notice that states:

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

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

3. A licensee who provides check-cashing services shall give written notice to each customer of the fees he or she charges for cashing checks. The

customer must sign the notice before the licensee provides the check-cashing service.

Sec. 5.5. NRS 604A.408 is hereby amended to read as follows:

604A.408 1. Except as otherwise provided in this chapter, the original term of a deferred deposit loan or high-interest loan must not exceed 35 days.

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

- (a) The loan provides for payments in installments;
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
- (c) The loan is not subject to any extension; ~~and~~
- (d) The loan does not require a balloon payment of any kind ~~[-]~~; and
- (e) *The loan is not a deferred deposit loan.*

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

Sec. 6. NRS 604A.440 is hereby amended to read as follows:

604A.440 A licensee shall not:

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

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

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

4. Include in any written agreement:

- (a) A promise by the customer to hold the licensee harmless;
- (b) A confession of judgment by the customer;
- (c) An assignment or order for the payment of wages or other compensation due the customer; or

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

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

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

7. *Reinitiate an electronic debit transaction that has been returned by a customer's bank except in accordance with the rules prescribed by the*

*National Automated Clearing House Association or its successor organization.*

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

Sec. 6.5. NRS 604A.445 is hereby amended to read as follows:

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

1. The original term of a title loan must not exceed 30 days.
2. The title loan may be extended for not more than six additional periods of extension, with each such period not to exceed 30 days, if:
  - (a) Any interest or charges accrued during the original term of the title loan or any period of extension of the title loan are not capitalized or added to the principal amount of the title loan during any subsequent period of extension;
  - (b) The annual percentage rate charged on the title loan during any period of extension is not more than the annual percentage rate charged on the title loan during the original term; and
  - (c) No additional origination fees, set-up fees, collection fees, transaction fees, negotiation fees, handling fees, processing fees, late fees, default fees or any other fees, regardless of the name given to the fees, are charged in connection with any extension of the title loan.
3. The original term of a title loan may be up to 210 days if:
  - (a) The loan provides for payments in installments;
  - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
  - (c) The loan is not subject to any extension; ~~and~~
  - (d) The loan does not require a balloon payment of any kind ~~[-]~~; and
  - (e) *The loan is not a deferred deposit loan.*

Sec. 7. NRS 604A.450 is hereby amended to read as follows:

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

1. Make a title loan that exceeds the fair market value of the vehicle securing the title loan.
2. *Make a title loan to a customer secured by a vehicle which is not legally owned by the customer.*
3. ~~Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.~~  
*—3.] determining that the customer has the ability to repay the title loan, as required by section 1.3 of this act. In complying with this subsection, the licensee shall not consider the income of any person who is not a legal owner of the vehicle securing the title loan but may consider a customer's community ~~income~~ property and the income of any other customers who consent to the loan pursuant to subsection 5 and enter into a loan agreement with the licensee.*
4. Make a title loan without requiring the customer to sign an affidavit which states that:

(a) The customer has provided the licensee with true and correct information concerning the customer's income, obligations, employment and ownership of the vehicle; and

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

5. *Make a title loan secured by a vehicle with multiple legal owners without the consent of each owner.*

Sec. 8. NRS 604A.930 is hereby amended to read as follows:

604A.930 1. Subject to the affirmative defense set forth in subsection 3, in addition to any other remedy or penalty, if a person violates any provision of NRS 604A.400, 604A.410 to 604A.500, inclusive, *and sections 1.3 and 1.7 of this act*, 604A.610, 604A.615, 604A.650 or 604A.655 or any regulation adopted pursuant thereto, the customer may bring a civil action against the person for:

- (a) Actual and consequential damages;
- (b) Punitive damages, which are subject to the provisions of NRS 42.005;
- (c) Reasonable attorney's fees and costs; and
- (d) Any other legal or equitable relief that the court deems appropriate.

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

- (a) Operates a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service without a license, in violation of NRS 604A.400;
- (b) Fails to include in a loan agreement a disclosure of the right of the customer to rescind the loan, in violation of NRS 604A.410;
- (c) Violates any provision of NRS 604A.420;
- (d) Accepts collateral or security for a deferred deposit loan, in violation of NRS 604A.435, except that a check or written authorization for an electronic transfer of money shall not be deemed to be collateral or security for a deferred deposit loan;
- (e) Uses or threatens to use the criminal process in this State or any other state to collect on a loan made to the customer, in violation of NRS 604A.440;
- (f) Includes in any written agreement a promise by the customer to hold the person harmless, a confession of judgment by the customer or an assignment or order for the payment of wages or other compensation due the customer, in violation of NRS 604A.440;
- (g) Violates any provision of NRS 604A.485;
- (h) Violates any provision of NRS 604A.490; or
- (i) Violates any provision of NRS 604A.442.

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

- (a) Was not intentional;
- (b) Was technical in nature; and

(c) Resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

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

Sec. 9. 1. Any contract or agreement that is entered into pursuant to chapter 604A of NRS before July 1, 2017, ~~is~~ and that does not comply with sections 1, 1.3, 2, 3, 4, 5.5 to 6.5, inclusive, 8 and 9 of this act remains in effect in accordance with the provisions of the contract or agreement.

2. Any contract or agreement that is entered into pursuant to chapter 604A of NRS before October 1, 2017, and that does not comply with sections 1.7, 3.5, 5 and 7 of this act remains in effect in accordance with the provisions of the contract or agreement.

Sec. 10. 1. This section and sections 1, 1.3, 2, 3, 4, 5.5, 6, 6.5, 8 and 9 of this act ~~becomes~~ become effective on July 1, 2017.

2. Sections 1.7, 3.5, 5 and 7 of this act become effective on October 1, 2017.

Senator Atkinson moved the adoption of the amendment.

Remarks by Senator Atkinson.

The clarifies the person making the loan must consider, to the extent available, certain factors when determining whether a customer has the ability to repay the loan. It allows a licensee to offer a customer a grace period on the repayment of a loan or an extension of the loan, except a licensee must not grant a grace period for the purpose of artificially increasing the amount a customer would otherwise qualify to borrow; changes a customer's "community income" to a customer's "community property" in Section 7 of the bill; and changes the effective date for certain sections of the bill from July 1, 2017 to October 1, 2017.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 244.

Bill read second time and ordered to third reading.

Assembly Bill No. 457.

Bill read second time.

The following amendment was proposed by the Committee on Commerce, Labor and Energy:

Amendment No. 860.

SUMMARY—Revises provisions relating to certain professional licensing boards. (BDR 54-410)

AN ACT relating to professional licensing; requiring the Board of Psychological Examiners, the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors, the Board of Examiners for Social Workers and the Board of Examiners for Alcohol, Drug and Gambling Counselors to report certain information to the ~~Commission on Behavioral~~

MAY 24, 2017 — DAY 108

4693

**THE ONE HUNDRED AND EIGHTH DAY**

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CARSON CITY (Wednesday), May 24, 2017

Assembly called to order at 12:04 p.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, Rajan Zed.

Om

bhur bhuvah svah

tat Savitur varenyam

bhargo devasya dhimahi

dhiyo you nah prachodayat

We meditate on the transcendental glory of the Deity Supreme, who is inside the heart of the earth, inside the life of the sky, and inside the soul of the heaven. May He stimulate and illuminate our minds.

Asato ma sad gamaya

Tamaso ma jyotir gamaya

Mrityor mamrtam gamaya

Lead us from the unreal to the Real.

Lead us from darkness to Light.

Lead us from death to immortality.

tasmadasaktah satatam karyam karma samacara

asakto hyacarankarma paramapnoti purusah

karmanaiva hi samsiddhimasthita janakadayah

lokasangrahavevapi sampasyankartumarhasi

Strive constantly to serve the welfare of the world; by devotion to selfless, one attains the supreme goal of life. Do your work with the welfare of others always in mind.

Om saha naavavatu

Saha nau bhunaktu

Saha viiryan karavaavahai

Tejasvi naavadhiitamastu

Maa vidhivishhaavahai

May we be protected together.

May we be nourished together.

May we work together with great vigor.

May our study be enlightening.

May no obstacle arise between us.

samani va akutih

samana hridayani vah

samanam astu vo mano

yatha vah susahasti

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## JOURNAL OF THE ASSEMBLY

## MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, May 24, 2017

*To the Honorable the Assembly:*

I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bill No. 83, Amendment No. 853; Assembly Bill No. 160, Amendment No. 862; Assembly Bill No. 163, Amendment No. 856; Assembly Bill No. 427, Amendment No. 755; Assembly Bill No. 449, Amendment No. 876; Assembly Bill No. 457, Amendment No. 860, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Senate on this day passed Senate Bill No. 496.

Also, I have the honor to inform your honorable body that the Senate on this day passed, as amended, Senate Bills Nos. 457, 524.

SHERRY RODRIGUEZ  
*Assistant Secretary of the Senate*

## INTRODUCTION, FIRST READING AND REFERENCE

Senate Bill No. 457.

Assemblywoman Benitez-Thompson moved that the bill be referred to the Committee on Education.

Motion carried.

Senate Bill No. 496.

Assemblywoman Benitez-Thompson moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

Senate Bill No. 524.

Assemblywoman Benitez-Thompson moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

## MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Benitez-Thompson moved that Senate Bills Nos. 253 and 260 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblywoman Benitez-Thompson moved that Senate Bills Nos. 26, 411, and 169 be taken from their positions on the General File and placed at the top of the General File.

Motion carried.

## GENERAL FILE AND THIRD READING

Senate Bill No. 26.

Bill read third time.

Remarks by Assemblywomen Bilbray-Axelrod, Krasner, and Spiegel.

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## THE ONE HUNDRED AND EIGHTH DAY

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CARSON CITY (Wednesday), May 24, 2017

Senate called to order at 12:35 p.m.

President Hutchison presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Don Baumann.

Almighty God, as the Senate convenes this morning, we ask for Your blessing and protection, not only on each member of this body, but also on their families and loved ones, the people who depend on them and on whom they depend. While their family members may not be present in this hall now, they are nonetheless serving along with each Senator, foregoing time together in order for the work of this body to proceed. We thank You for their sacrifice and support.

Help each Senator to maintain and draw strength from their family relationships, especially in the last days of this very hectic Legislative Season. Strengthen each person who serves here, that their work as our representatives may be accomplished well.

We ask this in the name of the Maker and Preserver of families, the Lord Jesus.

AMEN.

Pledge of allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

### REPORTS OF COMMITTEES

*Mr. President:*

Your Committee on Finance, to which were referred Assembly Bills Nos. 495, 496, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which was re-referred Senate Bill No. 414, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass as amended.

JOYCE WOODHOUSE, *Chair**Mr. President:*

Your Committee on Government Affairs, to which was referred Assembly Bill No. 379, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DAVID R. PARKS, *Chair**Mr. President:*

Your Committee on Judiciary, to which were referred Assembly Bills Nos. 286, 288, 377, 380, 420, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair**Mr. President:*

Your Committee on Legislative Operations and Elections, to which was referred Assembly Bill No. 403, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

NICOLE J. CANNIZZARO, *Chair*

### MESSAGES FROM THE ASSEMBLY

Bill ordered transmitted to the Assembly.

Assembly Bill No. 83.

Bill read third time.

Remarks by Senator Settlemeyer.

Assembly Bill No. 83 is the omnibus bill of the Division of Insurance, Department of Business and Industry. The bill makes numerous changes to provisions governing insurance including establishing provisions concerning the administrative supervision of insurers whose financial condition may be hazardous to insureds or creditors of the insurer or to the general public; providing for the regulation of network plans under which the financing and delivery of health care services are provided through a defined set of providers of health care under contract with a health carrier; revising various provisions related to insurance producers; revising various provisions concerning the discontinuation of certain insurance products; providing for certain consumer protections to purchasers of service contracts; revising minimum net worth and surety bond requirements for dental care organizations and prepaid limited health service organizations; and making various other technical changes affecting the regulation of insurance.

Roll call on Assembly Bill No. 83:

YEAS—21.

NAYS—None.

Assembly Bill No. 83 having received a two-thirds majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 160.

Bill read third time.

Remarks by Senator Gansert.

Assembly Bill No. 160 requires the State Public Works Board, State Public Works Division, Department of Administration, to conduct a cost-savings evaluation on the feasibility of using alternatives to window replacement when planning to replace windows in a building under the purview of the Division and to consult with the Office of Historic Preservation, State Department of Conservation and Natural Resources, when making such an evaluation of a public building that is at least 50 years old. The bill requires the use of a window replacement alternative if the potential savings exceeds the cost of the use of a window replacement alternative, except if otherwise recommended by the Office of Historic Preservation as to a public building that is at least 50 years old. The bill also increases the maximum length of the terms of performance, installment-purchase, and lease-purchase contracts entered into by authorized State agencies from 15 years to 20 years after the date on which the work required by the contract is completed.

Roll call on Assembly Bill No. 160:

YEAS—21.

NAYS—None.

Assembly Bill No. 160 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 163.

Bill read third time.

Remarks by Senator Settlemeyer.

Assembly Bill No. 163 requires a deferred deposit, high-interest or title lender to determine whether a person has the ability to repay a loan before the loan is made and establishes the factors that the lender must use to make that determination. The bill also specifies that a lender, with

certain exceptions, may not consider the income of any other person who is not the person taking out the loan when making a determination of the person's ability to repay a loan. In addition, it prohibits a title lender from making a loan to a person who does not legally own the vehicle being used to secure the loan.

The bill also modifies the definition of "default," clarifies the difference between a grace period and a loan extension and limits the actions a lender can take with regard to a grace period. Additionally, Assembly Bill No. 163 allows a customer to enter into an extended repayment plan if the customer has not entered into an extended payment plan for the original loan during the immediately preceding 12-month period; and requests an extended repayment plan prior to the time the original loan is due.

The measure includes a contract for the lease of an animal for a purpose other than a business, commercial, or agricultural purpose in the definition of a "high-interest loan." Finally, this bill imposes notice requirements related

Roll call on Assembly Bill No. 163:

Yeas—21.

Nays—None.

Assembly Bill No. 163 having received a constitutional majority,  
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 244.

Bill read third time.

Remarks by Senator Spearman.

Assembly Bill No. 244 allows certain insurance companies and their employees and agents to provide goods, prizes, gifts and other items not to exceed \$100 in value per customer or prospective customer in any one year.

Roll call on Assembly Bill No. 244:

YEAS—17.

NAYS—Gansert, Harris, Kieckhefer, Roberson—4.

Assembly Bill No. 244 having received a constitutional majority,  
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 457.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 457 requires the Board of Psychological Examiners, Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors, Board of Examiners for Social Workers and the Board of Examiners for Alcohol, Drug and Gambling Counselors to submit certain reports to the Legislative Committee on Health Care. The bill also requires each new member of these behavioral health care boards to complete an orientation and requires these boards to establish policies concerning compensation and reviewing staff performance. Further, Assembly Bill No. 457 allows these boards to enter into agreements with the Department of Health and Human Services to carry out or improve the performance of their duties.

These behavioral health care boards are also required to adopt online application forms for the issuance or renewal of a license or certificate, and the bill provides an appeals process for persons aggrieved by a determination of a board in refusing to issue or renew a license or certificate or imposing discipline. Additionally, Assembly Bill No. 457 requires these boards to adopt certain regulations and further requires the Commission on Behavioral Health to review the regulations

President Hutchison announced that the following bills are ready to be immediately transmitted to the Assembly: Senate Bills Nos. 457, 496, 524; Assembly Bills No. 83, 160, 163, 427, 449, 457. Once these bills have been transmitted to the Assembly, the Senate no longer has the ability to take any further action.

Senator Cannizzaro moved that Assembly Bill No. 418 be taken from the Secretary's desk and placed on the General File, third agenda.

Motion carried.

#### SECOND READING AND AMENDMENT

Assembly Bill No. 286.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 872.

SUMMARY—Revises provisions relating to court programs for the treatment of veterans and members of the military. (BDR 14-872)

AN ACT relating to criminal procedure; revising provisions concerning the eligibility of a defendant for assignment to a program for the treatment of veterans and members of the military; authorizing a district court, justice court or municipal court to establish such a program; making various other changes relating to such a program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a district court to establish an appropriate program for the treatment of veterans and members of the military to which it may assign an eligible defendant. A justice court or municipal court is authorized, upon approval of the district court, to transfer original jurisdiction of a case involving such an eligible defendant to the district court. (NRS 176A.280, 176A.285) Section 3 of this bill additionally authorizes a justice court or municipal court to establish such a program and revises the provisions concerning the eligibility of a defendant for assignment to such a program. Section 3 also provides that the assignment of a defendant to such a program must be for a period of not less than 12 months.

Section 2 of this bill provides that a defendant is ineligible for assignment to such a program if he or she: (1) has previously been assigned to such a program; or (2) was discharged or released from the Armed Forces of the United States, a reserve component thereof or the National Guard under dishonorable conditions. Section 2 also provides that a defendant who was discharged or released from the Armed Forces of the United States, a reserve component thereof or the National Guard under dishonorable conditions may be assigned to such a program if a court determines that extraordinary circumstances exist to warrant the assignment.

Existing law provides that upon violation of a term or condition of such a program, the court may: (1) enter a judgment of conviction and proceed as provided in the section pursuant to which the defendant was charged; and

## THE ONE HUNDRED AND NINTH DAY

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CARSON CITY (Thursday), May 25, 2017

Assembly called to order at 1:51 p.m.

Mr. Speaker presiding.

Roll called.

All present except Assemblymen Hansen and Ohrenschall, who were excused.

Prayer by the Chaplain, Reverend Richard Snyder.

Creator God, we give You thanks for this day. You are the source of life, of liberty, and of justice. Be with us and guide us this day. Help us to be the very best that we can. May Your Spirit fill us, refresh us, and renew us this day and always.

AMEN.

Pledge of allegiance to the Flag.

Assemblywoman Benitez-Thompson moved that further reading of the Journal be dispensed with and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

### REPORTS OF COMMITTEES

*Mr. Speaker:*

Your Committee on Commerce and Labor, to which was rereferred Assembly Bill No. 468, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Commerce and Labor, to which was referred Senate Bill No. 516, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

IRENE BUSTAMANTE ADAMS, *Chair*

*Mr. Speaker:*

Your Committee on Government Affairs, to which were referred Senate Bills Nos. 399, 460, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

EDGAR FLORES, *Chair*

*Mr. Speaker:*

Your Committee on Health and Human Services, to which was referred Senate Bill No. 265, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MICHAEL C. SPRINKLE, *Chair*

*Mr. Speaker:*

Your Committee on Judiciary, to which was referred Senate Bill No. 398, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

STEVE YEAGER, *Chair*

MAY 25, 2017 — DAY 109

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*Mr. Speaker:*

Your Committee on Legislative Operations and Elections, to which was referred Senate Bill No. 84, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Legislative Operations and Elections, to which was referred Senate Joint Resolution No. 3, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

OLIVIA DIAZ, *Chair**Mr. Speaker:*

Your Committee on Taxation, to which was referred Senate Bill No. 415, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DINA NEAL, *Chair**Mr. Speaker:*

Your Committee on Ways and Means, to which was rereferred Assembly Bill No. 354, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Ways and Means, to which was referred Senate Bill No. 3, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MAGGIE CARLTON, *Chair*

## MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, May 24, 2017

*To the Honorable the Assembly:*

I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bill No. 138, Amendment No. 898; Assembly Bill No. 346, Amendment No. 908; Assembly Bill No. 418, Amendments Nos. 806, 907, and respectfully requests your honorable body to concur in said amendments.

SHERRY RODRIGUEZ  
*Assistant Secretary of the Senate*

## INTRODUCTION, FIRST READING AND REFERENCE

By Assemblymen Frierson and Swank:

Assembly Bill No. 515—AN ACT relating to financial services; requiring the Commissioner of Financial Institutions to develop, implement and maintain a database storing certain information relating to deferred deposit loans and title loans made to customers in this State; providing that information in such a database is confidential under certain circumstances; and providing other matters properly relating thereto.

Assemblywoman Benitez-Thompson moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

## MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Benitez-Thompson moved that Senate Joint Resolutions Nos. 4 and 5; Senate Bills Nos. 386 and 230; Assembly Bills Nos. 52 and 421 be taken from their positions on the General File and placed at the top of the General File.

Motion carried.

Assemblywoman Bustamante Adams moved that the Assembly do not concur in the Senate Amendment No. 853 to Assembly Bill No. 83.

Motion carried.

Bill ordered transmitted to the Senate.

Assembly Bill No. 163.

The following Senate amendment was read:

Amendment No. 856.

AN ACT relating to financial services; 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; requiring a person who makes a deferred deposit loan to offer an extended payment plan under certain circumstances; **providing that certain contracts for the lease of an animal are subject to certain requirements imposed on high-interest loans**; revising provisions governing defaults, lengths of term and grace periods relating to certain short-term loans; requiring certain notices to be posted by a person who is licensed to operate certain loan services; revising the requirements for making a title loan; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law establishes standards and procedures governing the making of certain short-term loans, commonly referred to as "payday loans," "high-interest loans" and "title loans." (Chapter 604A of NRS) **Section 1.3** of this bill: (1) prohibits a person from making such a loan unless the person has determined that the customer has the ability to repay the loan; and (2) establishes the factors that the person making the loan must consider when determining whether a customer has the ability to repay the loan. **Section 1.3** also requires that the loan comply with the statutory requirements applicable to the type of loan involved. **Section 1.7** of this bill requires a person who makes a deferred deposit loan to offer an extended payment plan to the customer under certain circumstances.

**Section 3.5 of this bill includes in the definition of "high-interest loan" a contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose which charges an annual percentage rate of more than 40 percent. Thus, under section 3.5, such lease contracts would be subject to the requirements of existing law for high-interest loans.**

Existing law allows for a person making a payday loan, high-interest loan or title loan to offer the customer a grace period concerning repayment of the loan. (NRS 604A.210) **Section 3** of this bill distinguishes a grace period from an extension of a loan that complies with certain statutory requirements. **Section 4** of this bill prohibits a person making the loan from granting a grace period for the purpose of artificially increasing the amount a customer qualifies to borrow, or, with certain exceptions, from conditioning the grace period on the customer's agreement to a new loan or a modification of the



terms of the existing loan or the charging of interest at a rate in excess of that provided by the existing loan agreement.

Existing law requires a person making a payday loan, high-interest loan or title loan to post certain notices in a conspicuous place in every location at which the person conducts business. (NRS 604A.405) **Section 5** of this bill provides that the person must post a notice of the existing requirement that the person must offer a repayment plan to a customer who defaults on a loan before the person commences specified collection actions. **Section 5** also provides that the person must post a notice that states the process for customers to file a complaint with the Office of the Commissioner of Financial Institutions.

Existing law sets forth certain restrictions on the actions of a person licensed to operate certain loan services. (NRS 604A.440) **Section 6** of this bill adds to those restrictions a limitation on the reinitiation of electronic debit transactions.

Existing law provides restrictions on the making of title loans. (NRS 604A.450) **Section 7** of this bill adds to those restrictions by specifying that the customer must legally own the vehicle which secures the loan and that the person making the loan cannot consider the income, except for the customer's community ~~income,~~ **property,** of anyone who is not a legal owner of the vehicle who enters into a loan agreement with the licensee when determining whether the customer has the ability to repay the loan.

**Section 8** of this bill makes conforming changes.

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

**Section 1.** Chapter 604A of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.7 of this act.

**Sec. 1.3. 1.** *A licensee shall not make a loan pursuant to this chapter unless the licensee determines pursuant to subsection 2 that the customer has the ability to repay the loan and that the loan complies with the provisions of NRS 604A.425, 604A.450 or subsection 2 of NRS 604A.480, as applicable.*

**2.** *For the purposes of subsection 1, a customer has the ability to repay a loan if the customer has a reasonable ability to repay the loan, as determined by the licensee after considering , to the extent available, the following underwriting factors:*

- (a) The current or reasonably expected income of the customer;*
- (b) The current employment status of the customer based on evidence including, without limitation, a pay stub or bank deposit;*
- (c) The credit history of the customer;*
- (d) The amount due under the original term of the loan, the monthly payment on the loan, if the loan is an installment loan, or the potential repayment plan if the customer defaults on the loan; and*

(e) *Other evidence, including, without limitation, bank statements, electronic bank statements and written representations to the licensee.*

3. *For the purposes of subsection 1, a licensee shall not consider the ability of any person other than the customer to repay the loan.*

Sec. 1.7. 1. *A licensee shall allow a customer with an outstanding deferred deposit loan to enter into an extended payment plan if the customer:*

(a) *Has not entered into an extended payment plan for the deferred deposit loan during the immediately preceding 12-month period; and*

(b) *Requests an extended repayment plan before the time the deferred deposit loan is due.*

2. *An extended payment plan entered into pursuant to subsection 1 must:*

(a) *Be in writing and be signed by the licensee and customer; and*

(b) *Provide a payment schedule of at least four payments over a period of at least 60 days.*

3. *An extended payment plan entered into pursuant to subsection 1 must not:*

(a) *Increase or decrease the amount owed under the deferred deposit loan.*

(b) *Include any interest or fees in addition to those charged under the terms of the deferred deposit loan.*

4. *If a customer defaults under an extended payment plan entered into pursuant to this section, the licensee may terminate the extended payment plan and accelerate the requirement to pay the amount owed.*

Sec. 2. NRS 604A.045 is hereby amended to read as follows:

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

(a) Make a scheduled payment on a loan on or before the due date for the payment under the terms of a lawful loan agreement *that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable*, and any grace period that complies with the provisions of NRS 604A.210 ; ~~for under the terms of any lawful extension or repayment plan relating to the loan and any grace period that complies with the provisions of NRS 604A.210;~~ or

(b) Pay a loan in full on or before ~~the~~

~~—(1) The~~ *the* expiration of the ~~initial~~ loan period as set forth in a lawful loan agreement *that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable*, and any grace period that complies with the provisions of NRS 604A.210 . ~~for~~

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

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

**Sec. 3.** NRS 604A.070 is hereby amended to read as follows:

604A.070 **1.** "Grace period" means any period of deferment offered gratuitously by a licensee to a customer if the licensee complies with the provisions of NRS 604A.210.

**2.** *The term does not include an extension of a loan that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable.*

**Sec. 3.5.** NRS 604A.0703 is hereby amended to read as follows:

604A.0703 **1.** "High-interest loan" means a loan made to a customer pursuant to a loan agreement which, under its original terms, charges an annual percentage rate of more than 40 percent.

**2.** The term includes, without limitation, any single-payment loan, installment loan, ~~for~~ open-ended loan *or contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose* which, under ~~its~~ *the* original terms ~~of the loan or contract~~, charges an annual percentage rate of more than 40 percent.

**3.** The term does not include:

- (a) A deferred deposit loan;
- (b) A refund anticipation loan; or
- (c) A title loan.

**Sec. 4.** NRS 604A.210 is hereby amended to read as follows:

604A.210 **1.** The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not ~~charge the customer:~~

- ~~1. Any fees for granting such a grace period; or~~
- ~~2. Any additional fees or additional interest on the outstanding loan during such a grace period.~~

~~**1.1** grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.~~

**2.** Except ~~for a loan agreement governed by~~ in compliance with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480 ~~for~~, where they apply, a licensee shall not:

(a) *Condition the granting of the grace period on the customer making any new loan agreement or adding any addendum or term to an existing loan agreement; or*

(b) *Charge the customer interest at a rate in excess of that described in the existing loan agreement.* ~~for~~

~~**2.** Grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.~~

**Sec. 5.** NRS 604A.405 is hereby amended to read as follows:

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

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

(b) *A notice that states that if the customer defaults on a loan, the licensee must offer a repayment plan to the customer before the licensee commences any civil action or process of alternative dispute resolution or repossesses a vehicle.*

(c) A notice that states a toll-free telephone number to the Office of the Commissioner to handle concerns or complaints of customers.

(d) *A notice that states the process for filing a complaint with the Commissioner.*

➔ The Commissioner shall adopt regulations prescribing the form and size of the notices required by this subsection.

2. If a licensee offers loans to customers at a kiosk, through the Internet, through any telephone, facsimile machine or other telecommunication device or through any other machine, network, system, device or means, except for an automated loan machine prohibited by NRS 604A.400, the licensee shall, as appropriate to the location or method for making the loan, post in a conspicuous place where customers will see it before they enter into a loan, or disclose in an open and obvious manner to customers before they enter into a loan, a notice that states:

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

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

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

**Sec. 5.5.** NRS 604A.408 is hereby amended to read as follows:

604A.408 1. Except as otherwise provided in this chapter, the original term of a deferred deposit loan or high-interest loan must not exceed 35 days.

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

(a) The loan provides for payments in installments;

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

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

(d) The loan does not require a balloon payment of any kind ~~+~~; *and*

(e) *The loan is not a deferred deposit loan.*

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

**Sec. 6.** NRS 604A.440 is hereby amended to read as follows:

604A.440 A licensee shall not:

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

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

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

4. Include in any written agreement:

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

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

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

7. ***Reinitiate an electronic debit transaction that has been returned by a customer's bank except in accordance with the rules prescribed by the National Automated Clearing House Association or its successor organization.***

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

**Sec. 6.5.** NRS 604A.445 is hereby amended to read as follows:

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

- 1. The original term of a title loan must not exceed 30 days.
- 2. The title loan may be extended for not more than six additional periods of extension, with each such period not to exceed 30 days, if:
  - (a) Any interest or charges accrued during the original term of the title loan or any period of extension of the title loan are not capitalized or added to the principal amount of the title loan during any subsequent period of extension;
  - (b) The annual percentage rate charged on the title loan during any period of extension is not more than the annual percentage rate charged on the title loan during the original term; and

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

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
- (c) The loan is not subject to any extension; ~~and~~
- (d) The loan does not require a balloon payment of any kind ~~+~~; **and**
- (e) **The loan is not a deferred deposit loan.**

**Sec. 7.** NRS 604A.450 is hereby amended to read as follows:

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

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

2. ***Make a title loan to a customer secured by a vehicle which is not legally owned by the customer.***

3. ~~Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.~~

~~—3—~~ ***determining that the customer has the ability to repay the title loan, as required by section 1.3 of this act. In complying with this subsection, the licensee shall not consider the income of any person who is not a legal owner of the vehicle securing the title loan but may consider a customer's community ~~income~~ property and the income of any other customers who consent to the loan pursuant to subsection 5 and enter into a loan agreement with the licensee.***

4. Make a title loan without requiring the customer to sign an affidavit which states that:

(a) The customer has provided the licensee with true and correct information concerning the customer's income, obligations, employment and ownership of the vehicle; and

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

5. ***Make a title loan secured by a vehicle with multiple legal owners without the consent of each owner.***

**Sec. 8.** NRS 604A.930 is hereby amended to read as follows:

604A.930 1. Subject to the affirmative defense set forth in subsection 3, in addition to any other remedy or penalty, if a person violates any provision of NRS 604A.400, 604A.410 to 604A.500, inclusive, **and sections 1.3 and 1.7 of this act**, 604A.610, 604A.615, 604A.650 or 604A.655 or any regulation adopted pursuant thereto, the customer may bring a civil action against the person for:

- (a) Actual and consequential damages;
- (b) Punitive damages, which are subject to the provisions of NRS 42.005;
- (c) Reasonable attorney's fees and costs; and

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

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

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

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

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

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

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

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

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

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

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

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

(a) Was not intentional;

(b) Was technical in nature; and

(c) Resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

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

**Sec. 9. 1.** Any contract or agreement that is entered into pursuant to chapter 604A of NRS before July 1, 2017, ~~that~~ **and that does not comply with sections 1, 1.3, 2, 3, 4, 5.5 to 6.5, inclusive, 8 and 9 of this act** remains in effect in accordance with the provisions of the contract or agreement.

**2. Any contract or agreement that is entered into pursuant to chapter 604A of NRS before October 1, 2017, and that does not comply**

**with sections 1.7, 3.5, 5 and 7 of this act remains in effect in accordance with the provisions of the contract or agreement.**

**Sec. 10. 1. This section and sections 1, 1.3, 2, 3, 4, 5.5, 6, 6.5, 8 and 9 of this act [becomes] become effective on July 1, 2017.**

**2. Sections 1.7, 3.5, 5 and 7 of this act become effective on October 1, 2017.**

Assemblywoman Bustamante Adams moved that the Assembly concur in the Senate Amendment No. 856 to Assembly Bill No. 163.

Remarks by Assemblywoman Bustamante Adams.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

The amendment clarifies a person making the loan must consider, to the extent available, certain factors when determining whether a customer has the ability to repay the loan. It allows the licensee to offer a customer a grace period on the repayment of the loan or an extension of the loan, except a licensee must not grant a grace period for the purpose of artificially increasing the amount a customer would otherwise qualify to borrow. It changes a customer's "community income" to a customer's "community property" in section 7 and changes the effective date for certain sections of the bill from July 1, 2017, to October 1, 2017.

Motion carried by a constitutional majority.

Bill ordered to enrollment.

Assembly Bill No. 179.

The following Senate amendment was read:

Amendment No. 779.

AN ACT relating to massage therapy; changing the name of the Board of Massage Therapists to the Board of Massage Therapy; authorizing the Board to issue a license and a temporary license to practice reflexology and structural integration; requiring the Board to adopt regulations concerning the certification of a massage, reflexology and structural integration establishment; authorizing a local government to license and regulate a massage, reflexology and structural integration establishment; requiring that the Board consist of nine members; requiring the Board to adopt certain additional regulations; providing that a license is valid for 2 years; increasing the fee amount for the renewal of a license; creating a fee for the issuance and renewal of the certification of a massage, reflexology and structural integration establishment; authorizing the Board to establish different fee amounts for different types of licenses; providing a penalty; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the Board of Massage Therapists to issue a license to practice massage therapy and provides the requirements that an applicant for a license must satisfy in order to become licensed. (NRS 640C.400) **Section 7** of this bill authorizes the Board to issue a license to practice reflexology. **Section 9** of this bill authorizes the Board to issue a license to practice structural integration. **Section 20** of this bill makes conforming



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**THE ONE HUNDRED AND SEVENTEENTH DAY**

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CARSON CITY (Friday), June 2, 2017

Assembly called to order at 3:21 p.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by Father Chuck Durante, read by Assemblyman William McCurdy.

O God of Love and Grace, we thank You for this warm Spring day and for the work accomplished this week. Yet there is much to be done in the days ahead.

Bless and guide the Assembly and the Senate and the entire legislative staff. Grant them stamina and clarity, insight and wisdom. Send them a renewed compassion and understanding for one another and for the good of all in Nevada so that the many requests, pleas, and demands made may be heard rightly, weighed patiently, and resolved justly.

Thank You for the commitment of all who serve here for the common good and at the end of this day, grant them rest from a job well done.

We make this prayer as Your holy and humble people.

AMEN.

Pledge of allegiance to the Flag.

Assemblywoman Benitez-Thompson moved that further reading of the Journal be dispensed with and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

**REPORTS OF COMMITTEES**

*Mr. Speaker:*

Your Committee on Commerce and Labor, to which was referred Senate Bill No. 69, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

IRENE BUSTAMANTE ADAMS, *Chair*

*Mr. Speaker:*

Your Committee on Corrections, Parole, and Probation, to which were referred Senate Bills Nos. 306, 402, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

JAMES OHRENSCHALL, *Chair*

*Mr. Speaker:*

Your Committee on Government Affairs, to which was referred Assembly Bill No. 515, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

EDGAR FLORES, *Chair*

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Assemblywoman Carlton moved the adoption of the amendment.

Remarks by Assemblywoman Carlton.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 515.

Bill read third time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 1048.

**SUMMARY**—Revises provisions governing ~~payday lending,~~ **deferred deposit loans, title loans and high-interest loans.** (BDR 52-1227)

AN ACT relating to financial services; requiring the Commissioner of Financial Institutions to develop, implement and maintain a database storing certain information relating to deferred deposit loans, ~~and~~ title loans **and high-interest loans** made to customers in this State; providing that information in such a database is confidential under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law establishes standards and procedures for the licensing and regulation of certain short-term loans, commonly referred to as “payday loans,” high-interest loans and title loans. (Chapter 604A of NRS)

**Section 1** of this bill requires the Commissioner of Financial Institutions to develop, implement and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans, ~~and~~ title loans **and high-interest loans** in this State. Under **section 1**, a licensee who makes such loans must enter and update certain information concerning each deferred deposit loan, ~~and~~ title loan **and high-interest loan** made by the licensee. **Section 1** further requires the Commissioner to establish a fee which must be charged and collected by the vendor or service provider from a licensee who is required to enter information into the database. The fee must be used to pay for the administration and operation of the database. Finally, **sections 1 and 2** of this bill provide that information in the database or obtained by the Commissioner from the database is confidential, except that the Commissioner may use such information for statistical purposes if the identity of a person is not discernible from the information disclosed.

**Section 3** of this bill provides that the provisions of this bill do not apply to any loan made before October 1, 2017.

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

**Section 1.** Chapter 604A of NRS is hereby amended by adding thereto a new section to read as follows:

**1. The Commissioner shall, by contract with a vendor or service provider or otherwise, develop, implement and maintain a database by**

which the Commissioner may generate a report related to deferred deposit loans, ~~for~~ title loans and high-interest loans made by licensees to customers in this State which includes, without limitation:

- (a) Whether a customer has a deferred deposit loan, ~~for~~ title loan or high-interest loan outstanding with more than one licensee;
- (b) Whether a customer has had such a loan outstanding with one or more licensees within the 30 days immediately preceding the making of a loan;
- (c) Whether a customer has had a total of three or more such loans outstanding with one or more licensees within the 6 months immediately preceding the making of the loan; and
- (d) Any other information necessary to ~~comply~~ determine compliance with the provisions of this chapter.

2. After the development and implementation of the database created pursuant to subsection 1, a licensee who makes a deferred deposit loan, ~~for~~ title loan or high-interest loan shall enter or update the following information in the database for each such loan made to a customer at the time a transaction takes place:

- (a) The date on which the loan was made;
- (b) The type of loan made;
- (c) The principal amount of the loan;
- (d) The fees charged for the loan;
- (e) The annual percentage rate of the loan;
- (f) The total finance charge associated with the loan;
- (g) If the customer defaults on the loan, the date of default;
- (h) If the customer enters into a repayment plan pursuant to NRS 604A.475, the date on which the customer enters into the repayment plan; and
- (i) The date on which the customer pays the loan in full.

3. The Commissioner shall establish, and cause the vendor or service provider administering the database created pursuant to subsection 1 to charge and collect, a fee for each loan entered into the database by the licensee. The money collected pursuant to this subsection must be used to pay for the operation and administration of the database.

4. Except as otherwise provided in this subsection, any information in the database created pursuant to subsection 1 is confidential and shall not be considered a public book or record pursuant to NRS 239.010. The information may be used by the Commissioner for statistical purposes if the identity of the persons is not discernible from the information disclosed.

5. The Commissioner shall adopt regulations that:

- (a) Prescribe the specifications for the information entered into the database created pursuant to subsection 1;
- (b) Establish standards for the retention, access, reporting, archiving and deletion of information entered into or stored by the database;

(c) *Establish the amount of the fee required pursuant to subsection 3; and*

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

6. For the purposes of this section, the term “high-interest loan” does not include a high-interest loan made to a customer if the licensee:

(a) Makes the high-interest loan pursuant to a loan agreement which, under its original terms:

(1) Charges an annual percentage rate of less than 200 percent;

(2) Requires the customer to make a payment on the loan at least once every 30 days;

(3) Requires the loan to be paid in full in not less than 150 days; and

(4) Provides that interest does not accrue on the loan at the annual percentage rate set forth in the loan agreement after the date of maturity of the loan;

(b) Performs a credit check of the customer with a major consumer reporting agency before making the loan;

(c) Reports information relating to the loan experience of the customer to a major consumer reporting agency;

(d) Gives the customer the right to rescind the new high-interest loan within 5 days after the loan is made without charging the customer any fee for rescinding the loan;

(e) Participates in good faith with a counseling agency that is:

(1) Accredited by the Council on Accreditation, or its successor organization; and

(2) A member of the National Foundation for Credit Counseling, or its successor organization; and

(f) Does not commence any civil action or process of alternative dispute resolution on a defaulted loan or any extension or repayment plan thereof.

**Sec. 2.** NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 130.312, 130.712, 136.050, 159.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300,

239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.5002, 293.503, 293.558, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147, 392.264, 392.271, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 433.534, 433A.360, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.365, 481.063, 482.170, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070, 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400, 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641A.191, 641B.170, 641C.760, 642.524, 643.189, 644.446, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and section 1 of this act*, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada

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

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

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

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

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

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

**Sec. 3.** The provisions of this act do not apply to any contract or agreement entered into pursuant to chapter 604A of NRS before October 1, 2017, and any such contract or agreement remains in effect in accordance with the provisions of the contract or agreement.

**Sec. 4.** This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On October 1, 2017, for all other purposes.

Assemblyman McCurdy moved the adoption of the amendment.

Remarks by Assemblyman McCurdy.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

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Roll call on Assembly Bill No. 504:

YEAS—41.

NAYS—None.

EXCUSED—Titus.

Assembly Bill No. 504 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 515.

Bill read third time.

Remarks by Assemblywoman Swank.

ASSEMBLYWOMAN SWANK:

Assembly Bill 515 requires the Commissioner of Financial Institutions to develop, implement, and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans, title loans, and high-interest loans in this state. The bill also provides that information in the database or obtained by the Commissioner from the database is confidential, except that the Commissioner may use such information for statistical purposes only if the identity of a person is not discernible from the information disclosed.

Roll call on Assembly Bill No. 515:

YEAS—30.

NAYS—Paul Anderson, Edwards, Ellison, Hambrick, Krasner, Marchant, McArthur, Oscarson, Pickard, Wheeler, Woodbury—11.

EXCUSED—Titus.

Assembly Bill No. 515 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Mr. Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 5:07 p.m.

#### ASSEMBLY IN SESSION

At 5:08 p.m.

Mr. Speaker presiding.

Quorum present.

Senate Bill No. 69.

Bill read third time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 1014.

AN ACT relating to regulatory bodies; ~~authorizing the Governor to issue an executive order directing a regulatory body to expedite action on pending applications for licensure;~~ requiring certain regulatory bodies to adopt regulations governing the issuance of a license by endorsement to a **natural** person who holds a comparable license issued by the District of Columbia or any state or territory of the United States and meets certain other

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**THE ONE HUNDRED AND SEVENTEENTH DAY**

CARSON CITY (Friday), June 2, 2017

Senate called to order at 4:43 p.m.

President Hutchison presiding.

Roll called.

All present.

Prayer by Senator Cancela.

Dear Lord, thank You for this beautiful day that you have blessed us with. Thank You for bringing us all here together. Open our hearts for making informed and compassionate decisions. Open our ears to listen to new ideas and help us to be leaders that we know we can be by Your guidance and love.

AMEN.

Pledge of allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

**REPORTS OF COMMITTEES***Mr. President:*

Your Committee on Education, to which were referred Assembly Bills Nos. 144, 491, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MOISES DENIS, *Chair**Mr. President:*

Your Committee on Finance, to which was referred Senate Bill No. 444, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which were referred Senate Bills Nos. 443, 445, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Finance, to which were re-referred Senate Bills Nos. 249, 303, 482, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOYCE WOODHOUSE, *Chair**Mr. President:*

Your Committee on Judiciary, to which was referred Assembly Bill No. 183, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair**Mr. President:*

Your Committee on Natural Resources, to which was referred Assembly Bill No. 371, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

YVANNA D. CANCELA, *Chair**Mr. President:*



JUNE 2, 2017 — DAY 117

119

Sincerely,  
BRIAN SANDOVAL  
*Governor of Nevada*

MESSAGES FROM THE GOVERNOR  
STATE OF NEVADA  
EXECUTIVE CHAMBER  
CARSON CITY, NEVADA 89701

MAY 31, 2017

THE HONORABLE AARON D. FORD  
Nevada Legislature  
401 South Carson Street  
Carson City, Nevada 89701

DEAR LEADER FORD:

I am returning Senate Bill No. 416 to the 79th Session of the Nevada Legislature without my approval, accompanied by my letters of objection.

Sincerely,  
BRIAN SANDOVAL  
*Governor of Nevada*

MESSAGES FROM THE GOVERNOR  
STATE OF NEVADA  
EXECUTIVE CHAMBER  
CARSON CITY, NEVADA 89701

JUNE 1, 2017

THE HONORABLE AARON D. FORD  
Nevada Legislature  
401 South Carson Street  
Carson City, Nevada 89701

DEAR LEADER FORD:

I am returning Senate Bill No. 196, Senate Bill No. 356, and Senate Bill No. 469 to the 79th Session of the Nevada Legislature without my approval, accompanied by my letters of objection.

Sincerely,  
BRIAN SANDOVAL  
*Governor of Nevada*

## MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 2, 2017

*To the Honorable the Senate:*

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bill No. 545; Assembly Bill No. 519.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 69, 407, 413, 422, 423, 484, 489, 493, 497, 499, 504, 515.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 69, Amendment No. 1014, and respectfully requests your honorable body to concur in said amendment.

CAROL AIELLO-SALA  
*Assistant Chief Clerk of the Assembly*

## MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that Senate Bills Nos. 140, 173, 196, 356, 374, 416, 434, 469 of the 79th Session be made a Special Order of Business for Saturday, June 3, 2017, at 11:15 a.m.

Motion carried.

Motion carried.

Assembly Bill No. 515.

Senator Atkinson moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 519.

Senator Atkinson moved that the bill be referred to the Committee on Finance.

Motion carried.

#### SECOND READING AND AMENDMENT

Assembly Bill No. 290.

Bill read second time and ordered to third reading.

Assembly Bill No. 291.

Bill read second time and ordered to third reading.

Assembly Bill No. 395.

Bill read second time and ordered to third reading.

Assembly Bill No. 472.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 1102.

SUMMARY—Establishes policies for reducing recidivism rates and improving other outcomes for youth in the juvenile justice system. (BDR 5-918)

AN ACT relating to juvenile justice; creating the Juvenile Justice Oversight Commission, ~~and~~ and an Advisory Committee to the Commission; prescribing the powers and duties of the Commission, ~~and~~ and the Advisory Committee; imposing requirements related to juvenile justice on the Division of Child and Family Services of the Department of Health and Human Services and local departments of juvenile services; providing for the establishment of an evidence-based program resource center; requiring the juvenile court to make certain findings before committing a child to the custody of a state facility for the detention of children or a public or private institution or agency in another state; requiring departments of juvenile services to conduct a risk assessment and a mental health screening before the disposition of a case involving a child who is adjudicated delinquent; requiring the Division to consider the results of such an assessment and screening in making decisions concerning the placement of a child; revising provisions relating to mental health screenings of children referred to the system of juvenile justice; revising provisions concerning the release of certain information relating to a child subject to the jurisdiction of the juvenile court; requiring the Youth Parole Bureau to adopt policies and procedures relating to responses to a child's violation of his or her terms and

# BILLS AND AMENDMENTS

SEE LINKS ON BILL HISTORY PAGES FOR COMPLETE  
TEXT OF ALL VERSION OF BILLS

ATTACHED HERE FOR CONVENIENCE ARE THE LATEST  
VERSIONS OF THE FOLLOWING BILLS:

- AB 163 – as enrolled
- AB222 – as introduced
- AB 515 – first reprint
- SB 17 – as introduced

## Assembly Bill No. 163—Assemblyman Flores

## CHAPTER.....

AN ACT relating to financial services; 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; requiring a person who makes a deferred deposit loan to offer an extended payment plan under certain circumstances; providing that certain contracts for the lease of an animal are subject to certain requirements imposed on high-interest loans; revising provisions governing defaults, lengths of term and grace periods relating to certain short-term loans; requiring certain notices to be posted by a person who is licensed to operate certain loan services; revising the requirements for making a title loan; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law establishes standards and procedures governing the making of certain short-term loans, commonly referred to as "payday loans," "high-interest loans" and "title loans." (Chapter 604A of NRS) **Section 1.3** of this bill: (1) prohibits a person from making such a loan unless the person has determined that the customer has the ability to repay the loan; and (2) establishes the factors that the person making the loan must consider when determining whether a customer has the ability to repay the loan. **Section 1.3** also requires that the loan comply with the statutory requirements applicable to the type of loan involved. **Section 1.7** of this bill requires a person who makes a deferred deposit loan to offer an extended payment plan to the customer under certain circumstances.

**Section 3.5** of this bill includes in the definition of "high-interest loan" a contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose which charges an annual percentage rate of more than 40 percent. Thus, under **section 3.5**, such lease contracts would be subject to the requirements of existing law for high-interest loans.

Existing law allows for a person making a payday loan, high-interest loan or title loan to offer the customer a grace period concerning repayment of the loan. (NRS 604A.210) **Section 3** of this bill distinguishes a grace period from an extension of a loan that complies with certain statutory requirements. **Section 4** of this bill prohibits a person making the loan from granting a grace period for the purpose of artificially increasing the amount a customer qualifies to borrow, or, with certain exceptions, from conditioning the grace period on the customer's agreement to a new loan or a modification of the terms of the existing loan or the charging of interest at a rate in excess of that provided by the existing loan agreement.

Existing law requires a person making a payday loan, high-interest loan or title loan to post certain notices in a conspicuous place in every location at which the person conducts business. (NRS 604A.405) **Section 5** of this bill provides that the person must post a notice of the existing requirement that the person must offer a repayment plan to a customer who defaults on a loan before the person commences specified collection actions. **Section 5** also provides that the person must post a



notice that states the process for customers to file a complaint with the Office of the Commissioner of Financial Institutions.

Existing law sets forth certain restrictions on the actions of a person licensed to operate certain loan services. (NRS 604A.440) **Section 6** of this bill adds to those restrictions a limitation on the reinitiation of electronic debit transactions.

Existing law provides restrictions on the making of title loans. (NRS 604A.450) **Section 7** of this bill adds to those restrictions by specifying that the customer must legally own the vehicle which secures the loan and that the person making the loan cannot consider the income, except for the customer's community property, of anyone who is not a legal owner of the vehicle who enters into a loan agreement with the licensee when determining whether the customer has the ability to repay the loan.

**Section 8** of this bill makes conforming changes.

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

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

**Section 1.** Chapter 604A of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.7 of this act.

**Sec. 1.3. 1.** *A licensee shall not make a loan pursuant to this chapter unless the licensee determines pursuant to subsection 2 that the customer has the ability to repay the loan and that the loan complies with the provisions of NRS 604A.425, 604A.450 or subsection 2 of NRS 604A.480, as applicable.*

*2. For the purposes of subsection 1, a customer has the ability to repay a loan if the customer has a reasonable ability to repay the loan, as determined by the licensee after considering, to the extent available, the following underwriting factors:*

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

*(b) The current employment status of the customer based on evidence including, without limitation, a pay stub or bank deposit;*

*(c) The credit history of the customer;*

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

*(e) Other evidence, including, without limitation, bank statements, electronic bank statements and written representations to the licensee.*



3. *For the purposes of subsection 1, a licensee shall not consider the ability of any person other than the customer to repay the loan.*

**Sec. 1.7.** *1. A licensee shall allow a customer with an outstanding deferred deposit loan to enter into an extended payment plan if the customer:*

*(a) Has not entered into an extended payment plan for the deferred deposit loan during the immediately preceding 12-month period; and*

*(b) Requests an extended repayment plan before the time the deferred deposit loan is due.*

*2. An extended payment plan entered into pursuant to subsection 1 must:*

*(a) Be in writing and be signed by the licensee and customer; and*

*(b) Provide a payment schedule of at least four payments over a period of at least 60 days.*

*3. An extended payment plan entered into pursuant to subsection 1 must not:*

*(a) Increase or decrease the amount owed under the deferred deposit loan.*

*(b) Include any interest or fees in addition to those charged under the terms of the deferred deposit loan.*

*4. If a customer defaults under an extended payment plan entered into pursuant to this section, the licensee may terminate the extended payment plan and accelerate the requirement to pay the amount owed.*

**Sec. 2.** NRS 604A.045 is hereby amended to read as follows:

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

*(a) Make a scheduled payment on a loan on or before the due date for the payment under the terms of a lawful loan agreement that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable, and any grace period that complies with the provisions of NRS 604A.210 ; ~~for under the terms of any lawful extension or repayment plan relating to the loan, and any grace period that complies with the provisions of NRS 604A.210;~~ or*

*(b) Pay a loan in full on or before ~~the~~ ~~(1) The~~ the expiration of the ~~initial~~ loan period as set forth in a lawful loan agreement that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable, and any grace period that complies with the provisions of NRS 604A.210 . ~~the~~*



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

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

**Sec. 3.** NRS 604A.070 is hereby amended to read as follows:

604A.070 **1.** "Grace period" means any period of deferment offered gratuitously by a licensee to a customer if the licensee complies with the provisions of NRS 604A.210.

**2.** *The term does not include an extension of a loan that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable.*

**Sec. 3.5.** NRS 604A.0703 is hereby amended to read as follows:

604A.0703 **1.** "High-interest loan" means a loan made to a customer pursuant to a loan agreement which, under its original terms, charges an annual percentage rate of more than 40 percent.

**2.** The term includes, without limitation, any single-payment loan, installment loan , ~~for~~ open-ended loan *or contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose* which, under ~~fits~~ *the* original terms ~~of the loan or contract,~~ charges an annual percentage rate of more than 40 percent.

**3.** The term does not include:

- (a) A deferred deposit loan;
- (b) A refund anticipation loan; or
- (c) A title loan.

**Sec. 4.** NRS 604A.210 is hereby amended to read as follows:

604A.210 **1.** The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not ~~charge the customer:~~

- ~~— 1. Any fees for granting such a grace period; or~~
- ~~— 2. Any additional fees or additional interest on the outstanding loan during such a grace period. }~~ *grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.*

**2.** *Except in compliance with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, where they apply, a licensee shall not:*



*(a) Condition the granting of the grace period on the customer making any new loan agreement or adding any addendum or term to an existing loan agreement; or*

*(b) Charge the customer interest at a rate in excess of that described in the existing loan agreement.*

**Sec. 5.** NRS 604A.405 is hereby amended to read as follows:

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

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

*(b) A notice that states that if the customer defaults on a loan, the licensee must offer a repayment plan to the customer before the licensee commences any civil action or process of alternative dispute resolution or repossesses a vehicle.*

*(c) A notice that states a toll-free telephone number to the Office of the Commissioner to handle concerns or complaints of customers.*

*(d) A notice that states the process for filing a complaint with the Commissioner.*

↳ The Commissioner shall adopt regulations prescribing the form and size of the notices required by this subsection.

2. If a licensee offers loans to customers at a kiosk, through the Internet, through any telephone, facsimile machine or other telecommunication device or through any other machine, network, system, device or means, except for an automated loan machine prohibited by NRS 604A.400, the licensee shall, as appropriate to the location or method for making the loan, post in a conspicuous place where customers will see it before they enter into a loan, or disclose in an open and obvious manner to customers before they enter into a loan, a notice that states:

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

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

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





**Sec. 5.5.** NRS 604A.408 is hereby amended to read as follows:

604A.408 1. Except as otherwise provided in this chapter, the original term of a deferred deposit loan or high-interest loan must not exceed 35 days.

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

(a) The loan provides for payments in installments;  
 (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;

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

(d) The loan does not require a balloon payment of any kind ~~H~~;  
*and*

*(e) The loan is not a deferred deposit loan.*

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

**Sec. 6.** NRS 604A.440 is hereby amended to read as follows:

604A.440 A licensee shall not:

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

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

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

4. Include in any written agreement:

(a) A promise by the customer to hold the licensee harmless;  
 (b) A confession of judgment by the customer;  
 (c) An assignment or order for the payment of wages or other compensation due the customer; or

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



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

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

7. *Reinitiate an electronic debit transaction that has been returned by a customer's bank except in accordance with the rules prescribed by the National Automated Clearing House Association or its successor organization.*

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

**Sec. 6.5.** NRS 604A.445 is hereby amended to read as follows:

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

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

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

(a) Any interest or charges accrued during the original term of the title loan or any period of extension of the title loan are not capitalized or added to the principal amount of the title loan during any subsequent period of extension;

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

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

3. The original term of a title loan may be up to 210 days if:

(a) The loan provides for payments in installments;

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

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

(d) The loan does not require a balloon payment of any kind ~~H~~ ;  
*and*

*(e) The loan is not a deferred deposit loan.*

**Sec. 7.** NRS 604A.450 is hereby amended to read as follows:

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



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

2. *Make a title loan to a customer secured by a vehicle which is not legally owned by the customer.*

3. Make a title loan without ~~regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.~~

~~3.~~ *determining that the customer has the ability to repay the title loan, as required by section 1.3 of this act. In complying with this subsection, the licensee shall not consider the income of any person who is not a legal owner of the vehicle securing the title loan but may consider a customer's community property and the income of any other customers who consent to the loan pursuant to subsection 5 and enter into a loan agreement with the licensee.*

4. Make a title loan without requiring the customer to sign an affidavit which states that:

(a) The customer has provided the licensee with true and correct information concerning the customer's income, obligations, employment and ownership of the vehicle; and

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

5. *Make a title loan secured by a vehicle with multiple legal owners without the consent of each owner.*

**Sec. 8.** NRS 604A.930 is hereby amended to read as follows:

604A.930 1. Subject to the affirmative defense set forth in subsection 3, in addition to any other remedy or penalty, if a person violates any provision of NRS 604A.400, 604A.410 to 604A.500, inclusive, *and sections 1.3 and 1.7 of this act*, 604A.610, 604A.615, 604A.650 or 604A.655 or any regulation adopted pursuant thereto, the customer may bring a civil action against the person for:

(a) Actual and consequential damages;

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

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

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

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



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

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

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

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

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

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

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

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

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

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

(a) Was not intentional;

(b) Was technical in nature; and

(c) Resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

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

**Sec. 9.** 1. Any contract or agreement that is entered into pursuant to chapter 604A of NRS before July 1, 2017 and that does not comply with sections 1, 1.3, 2, 3, 4, 5.5 to 6.5, inclusive, 8 and 9 of this act remains in effect in accordance with the provisions of the contract or agreement.

2. Any contract or agreement that is entered into pursuant to chapter 604A of NRS before October 1, 2017, and that does not comply with sections 1.7, 3.5, 5 and 7 of this act remains in effect in accordance with the provisions of the contract or agreement.



**Sec. 10.** 1. This section and sections 1, 1.3, 2, 3, 4, 5.5, 6, 6.5, 8 and 9 of this act become effective on July 1, 2017.

2. Sections 1.7, 3.5, 5 and 7 of this act become effective on October 1, 2017.





## 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



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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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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



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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.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



- 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



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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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~~



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

**Sec. 17.** NRS 604A.435 is hereby amended to read as follows:  
604A.435 A licensee shall not:

1. Accept:

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

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

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

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

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

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

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

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

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

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

**Sec. 18.** NRS 604A.440 is hereby amended to read as follows:  
604A.440 A licensee shall not:

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

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



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

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

4. Include in any written agreement:

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

(b) A confession of judgment by the customer;

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) The loan provides for payments in installments;



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

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

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

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

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

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

2. ~~Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.~~

~~3.~~ Make a title loan without requiring the customer to sign an affidavit which states that:

(a) The customer has provided the licensee with true and correct information concerning the customer's income, obligations, employment and ownership of the vehicle; and

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

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

604A.455 1. Except where in conflict with the provisions of this section, the provisions of chapter 104 of NRS apply to any title loan between a licensee and a customer.

2. Except as otherwise provided in this section, if a customer defaults on a title loan, or on any ~~extension or~~ repayment plan relating to the title loan, the sole remedy of the licensee who made the title loan is to seek repossession and sale of the vehicle which the customer used to secure the title loan. The licensee may not pursue the customer personally for:

(a) Payment of the loan, unless the licensee proves the customer prevented the repossession and sale of the vehicle by any means, including, without limitation, hiding the vehicle; or

(b) Any deficiency after repossession and sale of the vehicle which the customer used to secure the title loan, unless the licensee proves the customer damaged or otherwise committed or permitted waste on the vehicle. For the purposes of this paragraph, it shall not be deemed waste for the customer to continue to use the vehicle in the same manner it was used before the customer entered into the title loan.

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

(a) By the licensee or his or her employees, the licensee shall make reasonably available to the customer any personal property in or upon the vehicle; or

(b) By a third party acting on behalf of the licensee, the licensee shall instruct the third party to make reasonably available to the customer any personal property in or upon the vehicle.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

(a) Give to the customer:

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

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

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

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

(1) The name and address of the licensee;

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

(3) The date of the payment;

(4) The amount paid;

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

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

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

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

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

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

(a) The name and address of the licensee;

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

(c) The date of the payment;

(d) The amount paid;

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

(f) The balance due on the loan; and



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

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

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

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

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

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

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

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

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

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

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

(f) Include the following amounts:

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

(2) Any payments made on the loan;

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

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

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



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(a) The customer must enter into the repayment plan not later than 30 days after the date of default, unless the licensee allows a longer period;

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

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

(d) For a deferred deposit loan:

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

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

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

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

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

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

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

(b) Except as otherwise provided in this section, accept any additional security or collateral from the customer to enter into the repayment plan;



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

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

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

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

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

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

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

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

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

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

(a) The name and address of the licensee;

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

(c) The date of the payment;

(d) The amount paid;

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

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

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

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

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

(a) The unpaid principal amount of the loan.



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

1. Deferred deposit loans ~~[-, high-interest loans]~~ and title loans should be used for short-term financial needs only and not as a long-term financial solution; and



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

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

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

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

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

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

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

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

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

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

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



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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 ~~[1. Except as otherwise provided in this section, a]~~  
 9 **A** licensee may not conduct the business of making loans within  
 10 ~~[any] :~~

11     **1. 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.**



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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



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

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

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

- (a) Actual and consequential damages;
- (b) Punitive damages, which are subject to the provisions of NRS 42.005;
- (c) Reasonable attorney's fees and costs; and
- (d) Any other legal or equitable relief that the court deems appropriate.

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

- (a) Operates a check-cashing service, deferred deposit loan service ~~[, high interest loan service]~~ or title loan service without a license, in violation of NRS 604A.400;
- (b) Fails to include in a loan agreement a disclosure of the right of the customer to rescind the loan, in violation of NRS 604A.410;
- (c) Violates any provision of NRS 604A.420;
- (d) Accepts collateral or security for a deferred deposit loan, in violation of NRS 604A.435, except that a check or written authorization for an electronic transfer of money shall not be deemed to be collateral or security for a deferred deposit loan;
- (e) Uses or threatens to use the criminal process in this State or any other state to collect on a loan made to the customer, in violation of NRS 604A.440;
- (f) Includes in any written agreement a promise by the customer to hold the person harmless, a confession of judgment by the customer or an assignment or order for the payment of wages or other compensation due the customer, in violation of NRS 604A.440;
- (g) Violates any provision of NRS 604A.485;
- (h) Violates any provision of NRS 604A.490; or
- (i) Violates any provision of NRS 604A.442.

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



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- 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,



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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



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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



\* A B 2 2 2 \*



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

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

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

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

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

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

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

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## LEADLINES OF REPEALED SECTIONS

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**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.





(Reprinted with amendments adopted on June 2, 2017)

FIRST REPRINT

A.B. 515

## EMERGENCY REQUEST OF SPEAKER OF THE ASSEMBLY

ASSEMBLY BILL NO. 515—ASSEMBLYMEN FRIERSON AND SWANK

MAY 25, 2017

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing deferred deposit loans, title loans and high-interest loans. (BDR 52-1227)

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; requiring the Commissioner of Financial Institutions to develop, implement and maintain a database storing certain information relating to deferred deposit loans, title loans and high-interest loans made to customers in this State; providing that information in such a database is confidential under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law establishes standards and procedures for the licensing and regulation of certain short-term loans, commonly referred to as "payday loans," high-interest loans and title loans. (Chapter 604A of NRS)

**Section 1** of this bill requires the Commissioner of Financial Institutions to develop, implement and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans, title loans and high-interest loans in this State. Under **section 1**, a licensee who makes such loans must enter and update certain information concerning each deferred deposit loan, title loan and high-interest loan made by the licensee. **Section 1** further requires the Commissioner to establish a fee which must be charged and collected by the vendor or service provider from a licensee who is required to enter information into the database. The fee must be used to pay for the administration and operation of the database. Finally, **sections 1 and 2** of this bill provide that information in the database or obtained by the Commissioner from the database is confidential, except that the Commissioner may use such information for statistical purposes if the identity of a person is not discernible from the information disclosed.



\* A B 5 1 5 R 1 \*

17 **Section 3** of this bill provides that the provisions of this bill do not apply to any  
 18 loan made before October 1, 2017.

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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 a new section to read as follows:

3 *1. The Commissioner shall, by contract with a vendor or*  
 4 *service provider or otherwise, develop, implement and maintain a*  
 5 *database by which the Commissioner may generate a report*  
 6 *related to deferred deposit loans, title loans and high-interest loans*  
 7 *made by licensees to customers in this State which includes,*  
 8 *without limitation:*

9 *(a) Whether a customer has a deferred deposit loan, title loan*  
 10 *or high-interest loan outstanding with more than one licensee;*

11 *(b) Whether a customer has had such a loan outstanding with*  
 12 *one or more licensees within the 30 days immediately preceding*  
 13 *the making of a loan;*

14 *(c) Whether a customer has had a total of three or more such*  
 15 *loans outstanding with one or more licensees within the 6 months*  
 16 *immediately preceding the making of the loan; and*

17 *(d) Any other information necessary to determine compliance*  
 18 *with the provisions of this chapter.*

19 *2. After the development and implementation of the database*  
 20 *created pursuant to subsection 1, a licensee who makes a deferred*  
 21 *deposit loan, title loan or high-interest loan shall enter or update*  
 22 *the following information in the database for each such loan made*  
 23 *to a customer at the time a transaction takes place:*

24 *(a) The date on which the loan was made;*

25 *(b) The type of loan made;*

26 *(c) The principal amount of the loan;*

27 *(d) The fees charged for the loan;*

28 *(e) The annual percentage rate of the loan;*

29 *(f) The total finance charge associated with the loan;*

30 *(g) If the customer defaults on the loan, the date of default;*

31 *(h) If the customer enters into a repayment plan pursuant to*  
 32 *NRS 604A.475, the date on which the customer enters into the*  
 33 *repayment plan; and*

34 *(i) The date on which the customer pays the loan in full.*

35 *3. The Commissioner shall establish, and cause the vendor or*  
 36 *service provider administering the database created pursuant to*  
 37 *subsection 1 to charge and collect, a fee for each loan entered into*  
 38 *the database by the licensee. The money collected pursuant to this*



\* A B 5 1 5 R 1 \*

1 subsection must be used to pay for the operation and  
2 administration of the database.

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

9 5. The Commissioner shall adopt regulations that:

10 (a) Prescribe the specifications for the information entered  
11 into the database created pursuant to subsection 1;

12 (b) Establish standards for the retention, access, reporting,  
13 archiving and deletion of information entered into or stored by the  
14 database;

15 (c) Establish the amount of the fee required pursuant to  
16 subsection 3; and

17 (d) Are necessary for the administration of the database.

18 6. For the purposes of this section, the term "high-interest  
19 loan" does not include a high-interest loan made to a customer if  
20 the licensee:

21 (a) Makes the high-interest loan pursuant to a loan agreement  
22 which, under its original terms:

23 (1) Charges an annual percentage rate of less than 200  
24 percent;

25 (2) Requires the customer to make a payment on the loan at  
26 least once every 30 days;

27 (3) Requires the loan to be paid in full in not less than 150  
28 days; and

29 (4) Provides that interest does not accrue on the loan at the  
30 annual percentage rate set forth in the loan agreement after the  
31 date of maturity of the loan;

32 (b) Performs a credit check of the customer with a major  
33 consumer reporting agency before making the loan;

34 (c) Reports information relating to the loan experience of the  
35 customer to a major consumer reporting agency;

36 (d) Gives the customer the right to rescind the new high-  
37 interest loan within 5 days after the loan is made without charging  
38 the customer any fee for rescinding the loan;

39 (e) Participates in good faith with a counseling agency that is:

40 (1) Accredited by the Council on Accreditation, or its  
41 successor organization; and

42 (2) A member of the National Foundation for Credit  
43 Counseling, or its successor organization; and



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*(f) Does not commence any civil action or process of alternative dispute resolution on a defaulted loan or any extension or repayment plan thereof.*

**Sec. 2.** NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 130.312, 130.712, 136.050, 159.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.5002, 293.503, 293.558, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147, 392.264, 392.271, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 433.534, 433A.360, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240,



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

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

43 3. A governmental entity that has legal custody or control of a  
44 public book or record shall not deny a request made pursuant to  
45 subsection 1 to inspect or copy or receive a copy of a public book or



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1 record on the basis that the requested public book or record contains  
2 information that is confidential if the governmental entity can  
3 redact, delete, conceal or separate the confidential information from  
4 the information included in the public book or record that is not  
5 otherwise confidential.

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

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

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

18 **Sec. 3.** The provisions of this act do not apply to any contract  
19 or agreement entered into pursuant to chapter 604A of NRS before  
20 October 1, 2017, and any such contract or agreement remains in  
21 effect in accordance with the provisions of the contract or  
22 agreement.

23 **Sec. 4.** This act becomes effective:

24 1. Upon passage and approval for the purpose of adopting any  
25 regulations and performing any other preparatory administrative  
26 tasks that are necessary to carry out the provisions of this act; and

27 2. On October 1, 2017, for all other purposes.







SENATE BILL NO. 17—COMMITTEE ON  
COMMERCE, LABOR AND ENERGY

(ON BEHALF OF THE STATE TREASURER)

PREFILED NOVEMBER 16, 2016

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing payday lending.  
(BDR 52-409)

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

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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 the Commissioner of Financial Institutions to develop, implement and maintain a database storing certain information relating to short-term loans made to customers in this State; providing that information in such a database is confidential; revising requirements for the contents of written loan agreements between licensees and customers; revising various provisions governing short-term loans; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law establishes standards and procedures for the licensing and regulation of certain short-term loans. (Chapter 604A of NRS) Existing law: (1) prohibits a licensee who makes deferred deposit loans, single-advance, single-payment loans or high-interest loans from making more than one such loan to the same customer at one time or before any outstanding balance on an existing loan made by that licensee to the customer is paid in full unless certain conditions are satisfied; and (2) limits the circumstances under which certain new short-term loans may be used to pay off certain outstanding loans. (NRS 604A.430, 604A.480) **Section 11** of this bill repeals these provisions of existing law and, instead, **section 3** of this bill prohibits a licensee from making a deferred deposit loan, single-advance, single-payment loan or high-interest loan to a customer if: (1) the customer has such a loan outstanding with any licensee; or (2) has had such a loan



\* S B 1 7 \*

outstanding with any licensee within the 45 days immediately preceding the making of the loan. To determine whether making a loan would violate this prohibition, **section 3** requires a licensee to search the database developed, implemented and maintained by the Commissioner of Financial Institutions pursuant to **section 4** of this bill. **Section 8** of this bill requires a written loan agreement between a licensee and a customer for a deferred deposit loan, single-advance, single-payment loan or high-interest loan to include a signed statement by the customer, certifying that the customer does not have such a loan outstanding and has not had such a loan outstanding within the 45 days immediately preceding the making of the loan.

**Section 4** of this bill requires the Commissioner of Financial Institutions to develop, implement and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans, single-advance, single-payment loans and high-interest loans made in this State. Under **section 4**, a licensee who makes such loans must enter and update certain information concerning each deferred deposit loan, single-advance, single-payment loan or high-interest loan made by the licensee. **Section 4** further requires the Commissioner to charge and collect a fee from a licensee who is required to enter information into the database to pay for the administration and operation of the database.

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

**Section 1.** Chapter 604A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

**Sec. 2.** *“Single-advance, single-payment loan” means a transaction in which, pursuant to a loan agreement, a customer is given a single advance equal to the amount financed with payment in full due within 35 days after the date of the transaction.*

**Sec. 3. 1.** *A licensee shall not make a deferred deposit loan, single-advance, single-payment loan or high-interest loan to a customer who:*

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

*(b) Has had any such loan outstanding with the licensee or another licensee within the 45 days immediately preceding the making of the loan.*

**2.** *Before making a deferred deposit loan, single-advance, single-payment loan or high-interest loan, a licensee shall search the database created pursuant to section 4 of this act for a history of loans made to the customer to determine whether making the loan would violate subsection 1.*

**Sec. 4. 1.** *The Commissioner shall, by contract with a vendor or service provider or otherwise, develop, implement and maintain a database by which:*



\* S B 1 7 \*

1       (a) A licensee who makes a deferred deposit loan, single-  
2       advance, single-payment loan or high-interest loan to a customer  
3       may determine:

4       (1) Whether the customer has a deferred deposit loan,  
5       single-advance, single-payment loan or high-interest loan  
6       outstanding with any licensee;

7       (2) Whether the customer has had a deferred deposit loan,  
8       single-advance, single-payment loan or high-interest loan  
9       outstanding with any licensee within the immediately preceding 45  
10      days;

11      (3) Whether the customer entered into a repayment plan  
12      pursuant to NRS 604A.475 for a deferred deposit loan, single-  
13      advance, single-payment loan or high-interest loan; and

14      (4) Any other information necessary to comply with the  
15      provisions of this chapter.

16      (b) The Commissioner may determine the original dollar  
17      amount of each deferred deposit loan, single-advance, single-  
18      payment loan or high-interest loan.

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

21      (a) Accessible to and usable by any licensee in this State; and  
22      (b) Protected from fire, theft, loss, destruction, other hazards  
23      and unauthorized access.

24      3. After the development and implementation of the database  
25      created pursuant to subsection 1, a licensee making a deferred  
26      deposit loan, single-advance, single-payment loan or high-interest  
27      loan shall:

28      (a) Enter and update the information set forth in subsection 1  
29      for each such loan made to a customer; and

30      (b) Within 10 business days after ceasing to make such loans  
31      pursuant to this chapter, submit a plan to the Commissioner for  
32      approval, outlining the manner in which the licensee will continue  
33      to comply with this section as long as any such loan made by the  
34      licensee is outstanding.

35      4. The Commissioner shall charge and collect a fee from  
36      each licensee required to enter information into the database  
37      pursuant to subsection 3 for the operation and administration of  
38      the database.

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

44      6. The Commissioner shall adopt regulations that:



\* S B 1 7 \*

1 *(a) Prescribe the specifications for the information entered*  
2 *into the database;*

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

6 *(c) Establish the amount of the fee required pursuant to this*  
7 *section; and*

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

9 **Sec. 5.** NRS 604A.010 is hereby amended to read as follows:

10 604A.010 As used in this chapter, unless the context otherwise  
11 requires, the words and terms defined in NRS 604A.015 to  
12 604A.125, inclusive, *and section 2 of this act* have the meanings  
13 ascribed to them in those sections.

14 **Sec. 6.** NRS 604A.407 is hereby amended to read as follows:

15 604A.407 1. Except as otherwise provided in this section, for  
16 the purposes of determining whether a loan is a high-interest loan,  
17 when determining whether a lender is charging an annual percentage  
18 rate of more than 40 percent, calculations must be made in  
19 accordance with the Truth in Lending Act and Regulation Z, except  
20 that every charge or fee, regardless of the name given to the charge  
21 or fee, payable directly or indirectly by the customer and imposed  
22 directly or indirectly by the lender must be included in calculating  
23 the annual percentage rate, including, without limitation:

24 (a) Interest;

25 (b) Application fees, regardless of whether such fees are charged  
26 to all applicants or credit is actually extended;

27 (c) Fees charged for participation in a credit plan, whether  
28 assessed on an annual, periodic or nonperiodic basis; and

29 (d) Prepaid finance charges.

30 2. The following charges and fees must be excluded from the  
31 calculation of the annual percentage rate pursuant to subsection 1:

32 (a) Any fees allowed pursuant to NRS 604A.490 or 675.365 for  
33 a check not paid upon presentment or an electronic transfer of  
34 money that fails;

35 (b) Interest accrued after default pursuant to paragraph (c) of  
36 subsection 1 of NRS 604A.485;

37 (c) Charges for an unanticipated late payment, exceeding a  
38 credit limit, or a delinquency, default or similar occurrence; *and*

39 (d) Any premiums or identifiable charges for insurance  
40 permitted pursuant to NRS 675.300 . ~~†; and~~

41 ~~—(e) The fee allowed pursuant to NRS 604A.487.†~~

42 3. Calculation of the annual percentage rate in the manner  
43 specified in this section is limited only to the determination of  
44 whether a loan is a high-interest loan and must not be used in  
45 compliance with the disclosure requirements of paragraph ~~†(e)†~~ (h)



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1 of subsection 2 of NRS 604A.410 or any other provisions of this  
 2 chapter requiring disclosure of an annual percentage rate in the  
 3 making of a loan.

4 **Sec. 7.** NRS 604A.408 is hereby amended to read as follows:

5 604A.408 1. Except as otherwise provided in this chapter, the  
 6 original term of a deferred deposit loan or high-interest loan must  
 7 not exceed 35 days.

8 2. The original term of a high-interest loan may be up to 90  
 9 days if:

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

11 (b) The payments are calculated to ratably and fully amortize the  
 12 entire amount of principal and interest payable on the loan;

13 (c) The loan is not subject to any extension; and

14 (d) The loan does not require a balloon payment of any kind.

15 3. ~~Notwithstanding the provisions of NRS 604A.480, a~~ A  
 16 licensee shall not agree to establish or extend the period for the  
 17 repayment, renewal, refinancing or consolidation of an outstanding  
 18 deferred deposit loan or high-interest loan for a period that exceeds  
 19 90 days after the date of origination of the loan.

20 4. *The provisions of subsections 1 and 2 do not apply to a*  
 21 *deferred deposit loan or high-interest loan if the licensee:*

22 (a) *Makes the deferred deposit loan or high-interest loan to a*  
 23 *customer pursuant to a loan agreement which, under its original*  
 24 *terms:*

25 (1) *Charges an annual percentage rate of less than 200*  
 26 *percent;*

27 (2) *Requires the customer to make a payment on the loan at*  
 28 *least once every 30 days;*

29 (3) *Requires the loan to be paid in full in not less than 150*  
 30 *days; and*

31 (4) *Provides that interest does not accrue on the loan at the*  
 32 *annual percentage rate set forth in the loan agreement after the*  
 33 *date of maturity of the loan;*

34 (b) *Performs a credit check of the customer with a major*  
 35 *consumer reporting agency before making the loan;*

36 (c) *Reports information relating to the loan experience of the*  
 37 *customer to a major consumer reporting agency;*

38 (d) *Gives the customer the right to rescind the new deferred*  
 39 *deposit loan or high-interest loan within 5 days after the loan is*  
 40 *made without charging the customer any fee for rescinding the*  
 41 *loan;*

42 (e) *Participates in good faith with a counseling agency that is:*

43 (1) *Accredited by the Council on Accreditation of Services*  
 44 *for Families and Children, Inc., or its successor organization; and*



\* S B 1 7 \*

1 *(2) A member of the National Foundation for Credit*  
 2 *Counseling, or its successor organization; and*

3 *(f) Does not commence any civil action or process of*  
 4 *alternative dispute resolution on a defaulted loan or any extension*  
 5 *or repayment plan thereof.*

6 **Sec. 8.** NRS 604A.410 is hereby amended to read as follows:

7 604A.410 1. Before making any loan to a customer, a  
 8 licensee shall provide to the customer a written loan agreement  
 9 which may be kept by the customer and which must be written in:

10 (a) English, if the transaction is conducted in English; or

11 (b) Spanish, if the transaction is conducted in Spanish.

12 2. The loan agreement must include, without limitation, the  
 13 following information:

14 (a) The name and address of the licensee and the customer;

15 (b) The nature of the security for the loan, if any;

16 (c) The date and amount of the loan, amount financed, annual  
 17 percentage rate, finance charge, total of payments, payment  
 18 schedule and a description and the amount of every fee charged,  
 19 regardless of the name given to the fee and regardless of whether the  
 20 fee is required to be included in the finance charge under the Truth  
 21 in Lending Act and Regulation Z;

22 (d) *A statement, signed by the customer, certifying that the*  
 23 *customer does not have outstanding with any licensee a deferred*  
 24 *deposit loan, single-advance, single-payment loan or high-interest*  
 25 *loan and has not had such a loan outstanding within the 45 days*  
 26 *immediately preceding the making of the loan;*

27 (e) A disclosure of the right of the customer to rescind a loan  
 28 pursuant to the provisions of this chapter;

29 ~~(e)~~ (f) A disclosure of the right of the customer to pay his or  
 30 her loan in full or in part with no additional charge pursuant to the  
 31 provisions of this chapter;

32 ~~(f)~~ (g) A disclosure stating that, if the customer defaults on the  
 33 loan, the licensee must offer a repayment plan to the customer  
 34 before the licensee commences any civil action or process of  
 35 alternative dispute resolution or, if appropriate for the loan, before  
 36 the licensee repossesses a vehicle; and

37 ~~(g)~~ (h) Any other disclosures required under the Truth in  
 38 Lending Act and Regulation Z or under any other applicable federal  
 39 or state statute or regulation.

40 **Sec. 9.** NRS 604A.485 is hereby amended to read as follows:

41 604A.485 1. If a customer defaults on a loan 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.



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

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

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

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

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

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

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

**Sec. 10.** NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355,



\* S B 1 7 \*



1 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730,  
 2 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260,  
 3 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370,  
 4 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161,  
 5 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817,  
 6 130.312, 130.712, 136.050, 159.044, 172.075, 172.245, 176.015,  
 7 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715,  
 8 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160,  
 9 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651,  
 10 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040,  
 11 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350,  
 12 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270,  
 13 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300,  
 14 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140,  
 15 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020,  
 16 241.030, 241.039, 242.105, 244.264, 244.335, 250.087, 250.130,  
 17 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195,  
 18 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438,  
 19 289.025, 289.080, 289.387, 289.830, 293.5002, 293.503, 293.558,  
 20 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335,  
 21 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420,  
 22 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100,  
 23 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610,  
 24 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008,  
 25 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259,  
 26 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147,  
 27 392.264, 392.271, 392.850, 394.167, 394.1698, 394.447, 394.460,  
 28 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885,  
 29 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749,  
 30 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872,  
 31 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430,  
 32 432B.560, 433.534, 433A.360, 439.840, 439B.420, 440.170,  
 33 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665,  
 34 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 453.720,  
 35 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866,  
 36 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240,  
 37 463.3403, 463.3407, 463.790, 467.1005, 480.365, 481.063, 482.170,  
 38 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070,  
 39 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655,  
 40 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070,  
 41 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315,  
 42 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110,  
 43 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,  
 44 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336,  
 45 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301,



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1 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085,  
2 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075,  
3 640A.220, 640B.730, 640C.400, 640C.745, 640C.760, 640D.190,  
4 640E.340, 641.090, 641A.191, 641B.170, 641C.760, 642.524,  
5 643.189, 644.446, 645.180, 645.625, 645A.050, 645A.082,  
6 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135,  
7 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945,  
8 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110,  
9 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310,  
10 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243,  
11 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690,  
12 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873,  
13 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115,  
14 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190,  
15 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615,  
16 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230,  
17 710.159, 711.600, *and section 4 of this act*, sections 35, 38 and 41  
18 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter  
19 391, Statutes of Nevada 2013 and unless otherwise declared by law  
20 to be confidential, all public books and public records of a  
21 governmental entity must be open at all times during office hours to  
22 inspection by any person, and may be fully copied or an abstract or  
23 memorandum may be prepared from those public books and public  
24 records. Any such copies, abstracts or memoranda may be used to  
25 supply the general public with copies, abstracts or memoranda of the  
26 records or may be used in any other way to the advantage of the  
27 governmental entity or of the general public. This section does not  
28 supersede or in any manner affect the federal laws governing  
29 copyrights or enlarge, diminish or affect in any other manner the  
30 rights of a person in any written book or record which is  
31 copyrighted pursuant to federal law.

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

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

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



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

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

**Sec. 11.** NRS 604A.430, 604A.480 and 604A.487 are hereby repealed.

**Sec. 12.** This act becomes effective:

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

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

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### TEXT OF REPEALED SECTIONS

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#### **604A.430 Prohibited acts by licensee regarding multiple loans to same customer.**

1. A licensee shall not make more than one deferred deposit loan, single-advance, single-payment loan or high-interest loan to the same customer at one time or before any outstanding balance is paid in full on an existing loan made by that licensee to the customer unless:

(a) The customer is seeking multiple loans that do not exceed the limits set forth in NRS 604A.425;

(b) The licensee charges the same or a lower fee or service charge per \$100 if it is a deferred deposit loan or single-advance, single-payment loan, or the same or a lower annual percentage rate of interest if it is a high-interest loan that is not a single-advance, single-payment loan, for any additional loans as the licensee charged for the initial loan;

(c) Except for that part of the finance charge which consists of interest only, the licensee does not impose any other charge or fee to initiate any additional loans, except that a licensee who makes deferred deposit loans or high-interest loans in accordance with the provisions of subsection 2 of NRS 604A.480 may charge a reasonable fee for preparing documents in an amount that does not exceed \$50; and

(d) If the additional loans are deferred deposit loans and the customer provides one or more additional checks that are not paid



\* S B 1 7 \*

upon presentment or one or more electronic transfers of money fail, the licensee does not charge any fees to the customer pursuant to NRS 604A.490, except for the fees allowed pursuant to that section for the first check that is not paid upon presentment or electronic transfer of money that failed.

2. As used in this section, "single-advance, single-payment loan" means a transaction in which, pursuant to a loan agreement, a customer is given a single advance equal to the amount financed with payment in full due within 35 days after the date of the transaction.

**604A.480 Limitations on using proceeds of new loan to pay balance of outstanding loan; exceptions.**

1. Except as otherwise provided in subsection 2, if a customer agrees in writing to establish or extend the period for the repayment, renewal, refinancing or consolidation of an outstanding loan by using the proceeds of a new deferred deposit loan or high-interest loan to pay the balance of the outstanding loan, the licensee shall not establish or extend the period beyond 60 days after the expiration of the initial loan period. The licensee shall not add any unpaid interest or other charges accrued during the original term of the outstanding loan or any extension of the outstanding loan to the principal amount of the new deferred deposit loan or high-interest loan.

2. This section does not apply to a new deferred deposit loan or high-interest loan if the licensee:

(a) Makes the new deferred deposit loan or high-interest loan to a customer pursuant to a loan agreement which, under its original terms:

(1) Charges an annual percentage rate of less than 200 percent;

(2) Requires the customer to make a payment on the loan at least once every 30 days;

(3) Requires the loan to be paid in full in not less than 150 days; and

(4) Provides that interest does not accrue on the loan at the annual percentage rate set forth in the loan agreement after the date of maturity of the loan;

(b) Performs a credit check of the customer with a major consumer reporting agency before making the loan;

(c) Reports information relating to the loan experience of the customer to a major consumer reporting agency;

(d) Gives the customer the right to rescind the new deferred deposit loan or high-interest loan within 5 days after the loan is made without charging the customer any fee for rescinding the loan;

(e) Participates in good faith with a counseling agency that is:



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(1) Accredited by the Council on Accreditation of Services for Families and Children, Inc., or its successor organization; and

(2) A member of the National Foundation for Credit Counseling, or its successor organization; and

(f) Does not commence any civil action or process of alternative dispute resolution on a defaulted loan or any extension or repayment plan thereof.

**604A.487 Limitations on fees licensees may charge after default on installment payments.** In addition to the amounts authorized to be collected pursuant to NRS 604A.485, a licensee who makes a high-interest loan in accordance with the provisions of subsection 2 of NRS 604A.480 may charge a fee of not more than \$15, payable on a one-time basis, for any installment payment that remains unpaid 10 days or more after the date of default.

