STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

SANDY O'LAUGHLIN
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

Minutes of Second Workshop to Solicit Comments on Proposed Regulations NAC 675 and NAC 604A

Date: December 16, 2025

Time: 10:00 a.m.

Locations:
Physical in-person location:
Nevada State Business Center, Nevada Room, 4th Floor
3300 W. Sahara Avenue, Las Vegas, Nevada 89102

Virtual location:
Microsoft Teams meeting- videoconference and teleconference

Agenda Item 1. Call to Order:
The workshop to consider regulations to revise NAC Chapters 675 and 604A was called to order Tuesday, December 16, 2025, at 10:01 a.m. The purpose of the workshop was to receive input with respect to the proposed regulations pertaining to NAC Chapters 675 and 604A, as described by the Notice of Workshop dated and posted on November 21, 2025.

Financial Institutions Division Staff Present In-Person at the Hearing:
Commissioner Sandy O'Laughlin
Deputy Commissioner Mary Young
Certified Public Accountant Angela Shanks
Examiner Jennnifer Ramsay

Also present, FID's counsel Deputy Attorney General Jessica Guerra

Agenda Item 2. Comments by General Public:
There were no comments during this general public comment period.

Agenda Item 3. Presentation and Discussion of Proposed Regulation:
The Division noted that several concerns raised during the first workshop have been addressed through the amended language proposed in the regulations under discussion today. Additionally, the Division discussed the written comments submitted prior to the second workshop.

The material changes to the proposed regulations, sections 2, 3, 5, 6, and sections 7 through 16, were read into the record.

After reading the changes to the proposed regulations, FID requested comments on any of the sections. There were five (5) comments received:

- **Peter Aldous, Legal Aid of Southern Nevada**.
  Legal Aid is still concerned about the risk to consumers that are involved in one licensee holding both licenses, but we very much appreciate these specific changes that have been made since the first workshop, including, separating the branches to be within 3 miles and ensuring that there is no transfer from one licensee to another as a result of default.

- **Lisa Quaranta, Nevada Credit Union League.**
  Our general comments consist of all the sections specifically section 2. We understand credit unions are not directly regulated under these chapters, but we are committed to supporting a fair and transparent financial marketplace for all Nevadans. We want to acknowledge the Divisions work to strengthen the consumer protection in this round of the workshop. However, we remain strongly concerned with the dual licensure framework as proposed and to respect your time, we are not going to restate everything in our written comments. First, we want to say that this approach creates a real risk of consumer confusion. Disclosures alone are not enough for when can offer two different products, one that is lower cost and one that's high cost even with the safeguards that are included. Combining installment loans, installment lending authority with high interest short term lending creates inherent risk for consumers, particularly those that are. Second, the dual licensure weakens long standing consumer safeguards. These products have historically been separated for a reason and combining them increases the risk that vulnerable consumers may be steered a high-cost debt cycle. Finally, this proposal risks the distinctions in the marketplace and the eroding public trust. Credit unions provide transparent, affordable alternatives and delivered over $117 million directly to Nevada households this year alone. Expanding authority to high-cost lenders risks confusing consumers and diverting them away from responsible financial institutions. We respectfully urge the division to reconsider the proposal and maintain Nevada's commitment for strong consumer protections.

- **Peter Guzman, Latin Chamber of Commerce, Nevada.**
  The Latin Chamber firmly believes in giving people in small businesses options. As such, we fully support the regulations presented during the first workshop on October 14th, but we strongly oppose the newly drafted regulations proposed today. The regulations presented today introduce unnecessary barriers that make that make offering lower interest rate loans economically impossible for lenders by preventing lenders from efficiently offering chapter 675 loans. The Division is inadvertently stripping small businesses of the

ability to innovate and provide the affordable capital that their communities desperately need. These restrictions do not just hurt the lending industry, they stifle the small business owners who rely on diverse financial products to survive in a challenging economic climate. I have heard firsthand from my members who had to use these specific financial products to meet payroll during their initial years in business. We need to create more options for them rather than placing roadblocks in front of cheaper financial products. By allowing these products to co-exist, the October framework created a pathway for borrowers to graduate from emergency high interest credit to sustainable lower interest products. That structure Empowered consumers to choose the tool that best fit their immediate needs rather than being pigeonholed into a single, more expensive category. We urge the Division to return to the October framework. Let us work together to provide borrowers with the cheaper options they deserve and give small businesses the tools they need to succeed.

- **Kyle Alexandre, Equipment Lease and Finance Association (ELFA).**
  ELFA requests specifically that the regulation be revised to clearly state that Section 2 applies only to entities holding dual licenses under NRS 604A and NRS 675. Without that clarification, the provision risks being read more broadly then intended creating a confusion and unattended compliance obligations for the business outside of the scope of the statute. Narrowing section 2 to dual licensing entities aligned with the regulation and legislative intent provides regulatory clarity and avoids inadvertently capturing legitimate commercial finance and equipment leasing activity. ELFA is the equipment leasing and finance division, we are a trade association, and we represent member companies that consist of John Deere, Caterpillar, Bobcat, captives, banks and independents and service providers and we feel that providing clarity to this section would be beneficial for our members.

- **Ryley Svendsen, Nevada Coalition to End Domestic and Sexual Violence.**
  We are here in opposition to the proposed regulations allowing dual licensure. Economic abuse occurs in approximately 99% of domestic violence cases and is one of the most powerful tactics used to trap victim survivors in violent relationships. When victim survivors attempt to leave, they often have poor credit and limited savings, and urgent financial needs for housing, transportation and basic necessities. Access to fair lending options can mean the difference between safety and returning to an abuser. We consistently rank high for rates of sexual and domestic violence, and our state budget provides no dedicated line item for domestic or sexual violence protection. When we allow practices that push vulnerable people into high-interest debt, we undermine violence prevention efforts and makes it harder for people to leave violent situations and maintain independence. We appreciate the consumer protections that were adopted from previous workshops, the separation between high interest lending and installment lending exists to protect consumers at their most vulnerable economic justice and violence prevention are deeply interconnected, and we urge the financial institutions divisions to reject these proposed regulations.

Agenda Item 4. Public Comments:

There were four (4) comments during this general public comment period.

- **Barbara Paulsen, Nevadans for the Common Good**.
  Nevadans for the Common Good's interest in short term high-cost loans if from a consumer protection perspective. Loans in this category are widely marketed but most aggressively marketed in the poorest neighborhoods targeting our most financially vulnerable residents. As stated at the October workshop on the regulation before us today, Nevadans of the Common Good worked hard for the passage of SB 201, which created a statewide database to track high interest short term loans and provide upfront protection for individuals seeking these loans. We continued our advocacy through the regulation development process to ensure its implementation at the goal of the legislation. We are pleased to see that the proposed regulation presented today more clearly states the separations that must be maintained between 675 and 604A loans that is originally directed, however, if approved strong enforcement of this regulation will be key to how well consumers are protected from misleading marketing and other infractions. Close monitoring and tracking of data supplied by lenders through the database system is essential and stiff penalties must be applied when infractions are identified. However, the overall regulation before us today remains highly problematic allowing lenders to hold dual licensing under chapter 604A and 675 as described weakens existing consumer protections. By its very nature it enables lenders to steer if not direct consumers toward the loan type most beneficial to the lender not the consumer. Consumers who lack the knowledge to evaluate the options at a time when many Nevada residents are facing intense financial insecurity from on a variety of fronts and seeking financial help. Nevadans for the Common Good does not support this regulation moving forward.

- **Andrew Clark, New Day Nevada.**
  Nevada is an organization that is committed to economic policies that benefit all Nevadans. Unfortunately, the proposed regulatory change on payday lending benefits private industry at the expense of the public good. We ask you to reject this proposal while we remain steadfast in our opposition if this were to pass, we do thank you for the added consumer protections.

- **Jonathan Norman, Nevada Coalition of Legal Service Providers**.
  I just want to echo I think the proper forum for this type of change is the 2027 Legislative session not in regulations. I do want to echo Mr. Aldous 's comments that we appreciate the additional consumer protections, but we still believe that there is a risk to consumers licensing one company in both of these chapters.

- **Mary Brennan, Dollar Loan Center.**
  As the Division is aware, Dollar Loan Center and the FID recently entered into a settlement agreement regarding case number A24886045C. The core of that settlement was an agreement that a single licensee could underwrite both chapter 604A and chapter 675 loans from the same location subject to this regulatory process. The regulations presented on October 14th, 2025, honored that settlement. They represented a fair compromise that offer consumers low interest options while ensuring robust protections. However, the new draft

regulations before you today abandoned that compromise. They introduced unnecessary barriers that make offering low interest loans economically impossible. By adopting these changes division is inadvertently protecting the status quo, enforcing consumers to remain in high interest chapter 604A loans. For years our industry has been criticized for high interest rates. Yet now that DLC is attempting to offer a product with a significantly lower rate below 40% under chapter 675 we are meeting resistance rather than support. We have asked repeatedly why the Division is so hesitant to let a borrower choose a cheaper loan.
We do not need to rely on speculation, under the terms of the settlement DLC has been operating with a provisional license to test lower interest model. The data speaks for itself. 37 loans have been funded totaling approximately $230,000.00. There have been zero consumer complaints, zero consumer confusion between products. The pilot program proves this model works safely. The current draft regulations ignore that success. We urge the FID to revert to language proposed during the first workshop. We ask that you do not continue to place additional roadblocks on a lower interest rate product that works.

Following the conclusion of this general public comment period, FID requested that anyone who commented during the workshop please also submit the comment in writing.

Agenda Item 5. Close Workshop (Adjournment):

The workshop pertaining to Nevada Administrative Code Chapters 675 and 604A was closed and adjourned on December 16, 2025, at 10:32 a.m.

To review and/or listen to comments in their entirety, please refer to the attached written comments and/or the audio recording of the workshop. The audio recording can be found online at www.fid.nv.gov/opinion/proposed_regulations.

DOLLAR LOAN CENTER

dontbebroke.com

Testimony Regarding Proposed Regulation LCB File No. R065-25

Speaker: Mary Brennan on behalf of Dollar Loan Center

As the Division is aware, DLC and the FID recently entered into a settlement agreement regarding Case No. A-24-886045-C. The core of that settlement was an agreement that a single licensee could underwrite both Chapter 604A and Chapter 675 loans from the same location, subject to this Regulatory Process.

The regulations presented on October 14, 2025, honored that settlement. They represented a fair compromise that offered consumers lower-interest options while ensuring robust protections.

However, the new draft regulations before you today abandon that compromise. They introduce unnecessary barriers that make offering lower-interest loans economically impossible. By adopting these changes, the Division is inadvertently protecting the status quo and forcing consumers to remain in higher-interest Chapter 604A loans.

For years, our industry has been criticized for high interest rates. Yet now that DLC is attempting to offer a product with a significantly lower rate (sub-40% APR) under Chapter 675, we are meeting resistance rather than support. We have asked repeatedly: Why is the Division so hesitant to let a borrower choose a cheaper loan?

We do not need to rely on speculation. Under the terms of the settlement, DLC has been operating with a provisional license to test this lower interest model. The data speaks for itself:

- **37 loans** funded totaling approximately **$230,000.**
- **Zero** consumer complaints.
- **Zero** consumer confusion between products.

The pilot program proves this model works safely. The current draft regulations ignore that success. We urge the FID to revert to the language proposed during the first workshop. We ask that you do not continue to place additional roadblocks on a lower-interest rate product that works.

Brownstein

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December 16, 2025

VIA E-MAIL (fidmaster@fid.state**)**

Mary Young, Deputy Commissioner
State of Nevada Department of Business and Industry
Financial Institutions Division
3300 W. Sahara Ave., Suite 250
Las Vegas, Nevada 89102

RE: Proposed regulation of the Commissioner of the State of Nevada Department of Business and Industry Financial Institutions Division ("FID") LCB File No. R065-25 (the "Proposed Regulation")

Ms. Young:

This office represents Dollar Loan Center LLC ("DLC") in connection with the Proposed Regulation. Please accept DLC's comments in connection therewith.

As a threshold matter, DLC reiterates its position that NRS Chapter 604 a does not prohibit a licensee from obtaining a chapter 675 license, or vice versa. Nor is a licensee prohibited from underwriting Chapter 604 loans and Chapter 675 loans from the same location under the existing statutes.
For years now, Nevada consumer lending law has been split between two business models. NRS Chapter 675 allows its licensees to lend with little or no regulation; however, such loans are limited to having an APR of less than 40%. In contrast, NRS Chapter 604A licensees may charge unlimited interest; however, they carry a significant regulatory burden.

And as long as they have been in business, Chapter 604A licensees have been criticized for the interest rates they charge. In many cases, that criticism is well placed, as the *average* APR of Chapter 604A loans in Nevada is 600%.[1] Yet, when DLC sought to introduce a product with a significantly lower interest rate by seeking a Chapter 675 license, it received nothing but pushback from the FID. And, though we have

[1] The APR of DLC's Chapter 604A loan product is less than one-third of the average APR of other licensees.

asked many times, no one has ever articulated why allowing a Chapter 604A licensee to offer a Chapter 675 loan product is so dangerous. If the criticism before was the high interest rate, why has the FID been so leery of licensing under Chapter 675?

Regardless, as a result of a disagreement between DLC and the FID interpreting various provisions of NRS Chapter 604A and Chapter 675, DLC commenced a civil action in State of Nevada Eighth Judicial District Court Case No. A-24-886045-C (the "Action"). On February 19, 2025, DLC and the FID entered into a stipulation in the Action announcing that a settlement had been reached. As part of the settlement, the FID agreed to propose certain regulations that had been agreed to by the parties, subject to the regulatory approval process. The Action is currently stayed pending promulgation of the Proposed Regulation. Significantly, in the event the Proposed Regulation is adopted but changed substantially from the language agreed to, the stay in the Action will be lifted and the litigation will resume.

Significantly, since the settlement of the Action, the FID has issued provisional Chapter 675 licenses to DLC at certain locations where it also makes Chapter 604A loans. DLC has been operating under Chapter 675 pursuant to the Proposed Regulation as originally drafted. To date, DLC has made 37 loans under NRS Chapter 675 totaling approximately $230,000. There have been no consumer complaints. There has been no confusion between the two different loan products. In DLC's test run of the Chapter 675 loan product, all has gone smoothly and without incident. The question, therefore, is why these additional regulations are now being considered.

The Proposed Regulation, as originally drafted, comported with the agreement of the parties to the Action. The new draft amendments being considered by the FID in this workshop change substantially the language agreed to, and go far beyond anything that was even proposed during the first workshop. If these additional restrictions are adopted, DLC will be forced to resume the Action. If it is successful, DLC will be entitled to offer Chapter 675 loans *without* the limitation of these regulations, which would be rendered void *ab initio* given the lack of statutory restriction to lend under both Chapters. I hope the FID has considered that these proposed changes many ultimately result in *fewer* protections for consumers than the ones originally agreed upon.

Specifically, DLC notes its objection to the following proposed changes:

1. **Section 2(1)**—In the updated draft proposal, a Chapter 675 license cannot underwrite loans in the same location as a Chapter 604A licensee, even if they are the same company. ***This was the fundamental dispute in the Action*** that was resolved by the settlement, in which the FID agreed a single company ***could*** underwrite Chapter 604A and Chapter 675 loans from the same location, subject to certain conditions. By adding this provision and Section 2(2), the FID has completely reneged on the principal settlement terms in the Action. If the FID moves forward with these

provisions, it will be in breach of the Settlement Agreement and DLC will be forced to seek to lift the stay in the Action. Similarly, *see* Section 5(1).

2. **Section 2(2)—**The FID has placed a three-mile barrier between any location that offers Chapter 675 loans from any location that offers Chapter 604A loans. This provision seems to have been drafted to confuse consumers, who will not know what loan they can get at which location, and to make it more difficult for them to take out such loans. It also seems designed to make it as expensive as possible for licensees to offer both Chapter 604A and 675 products. No other business has such restrictions. McDonald's is not limited to selling burgers at one location and French Fries at other locations. One can easily imagine how difficult it would be for any business to operate in such a manner. Similarly, *see* Section 5(2).

3. **Section 2(6-7)**—The FID does not explain why these provisions are necessary or helpful, given the restrictions in Section 2(4) in which the proceeds of a Chapter 675 loan may not be used to repay an existing Chapter 604A loan made by the licensee. Section 2(4) would prevent the feared "bait and switch" of switching an existing Chapter 604A loan into a Chapter 675 loan. The fact that a borrower may have had a default with a prior Chapter 604A loan suggests that a Chapter 675 loan might be a better fit for that borrower, or vice versa. Here, the FID should consider the need for borrowers to have access to capital where banks and similar lenders are unavailable. Part of offering a borrower the choice of Chapter 675 loan versus a Chapter 604A loan is what is important here. By erecting artificial barriers, you take away customer choice and flexibility.

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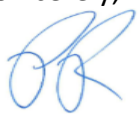
4. **Section 15(3)**—I strongly caution the FID against requiring Commissioner approval of advertising. Setting aside the vagueness of the provision as drafted (is approval required in all instances or not?) and the unlimited discretion conferred upon the Commissioner (reserving the right to require her own approval at her whim), it will likely draw a First Amendment challenge from the first person denied approval. Please note that a similar restriction scheme was placed upon attorney advertising by the State Bar to approve attorney advertising. We do not believe they even bother enforcing those rules anymore for obvious reasons. Also, the provision promises to be an enforcement quagmire for the FID. DLC would rather the FID use its resources for legitimate enforcement rather than listening to 30-second radio ads and monitoring social media accounts.

Thank you in advance for your attention to this matter.

Sincerely,



Patrick J. Reilly

36645881

Proposed Amendments to NAC 604A.8XX (Database) and Integration of Chapter 675 Loans into NRS 604A.303 Database

December 11, 2025

Submitted by Lea Cartwright
LC@CartwrightNV.com

Intent: To update NAC 604A with modern cybersecurity requirements, notices of disclosures to impacted consumers, aligns fees with inflation, closes loopholes in the data reporting requirement, requires an annual report from FID to track industry scope and consumer trends, and includes a new section of borrower debt protections. Update NAC 675 to require lender participation in the same database established pursuant to NRS604A.303.

Note: The updates below are proposed amendments to R037-20, which have not yet been codified in the online/public version of NAC. A draft mark-up of R037-20 is included at the end of this document.

Update Section 10: Data Breach Requirements – Privacy & Security

Section 10 of this regulation sets forth certain duties of a service provider regarding: (1) the maintenance of data in the database for purposes of compliance, investigation, and enforcement; and (2) notification of the Office of the Commissioner if the database becomes unavailable for any reason.

New Language in Green

4. Breach notification: Similar to Nevada Revised Statutes (NRS) 603A.220 and NRS 675.283, any entity—including payday lenders and, for purposes of this regulation, the database provider—must provide immediate notice to the Commissioner if a breach is reasonably likely to result in harm, Nevada consumer data is exposed, or the system is compromised.

Consumer Protection Need for the Update

Mandating immediate breach notification ensures that regulators and affected consumers can swiftly detect, contain, and investigate security incidents. When entities know they must alert the Commissioner without delay, they are held accountable for safeguarding data, investing in robust cybersecurity measures, and developing incident response plans. This proactive obligation reduces the window for misuse of exposed information and fosters transparency that deters predatory or lax security practices.

Early notification empowers consumers to take protective steps—freezing credit, changing passwords, and monitoring accounts—thereby reducing the risk of identity theft and financial loss. Real-time insights also give regulators a clear view of emerging vulnerabilities, guiding targeted audits, enforcement actions, and policy updates. By establishing a transparent breach-reporting standard, the regulation strengthens market confidence and creates an environment where continual security improvements become the norm.

Update Section 15: Disincentivize the Debt Trap

Section 15 of this regulation (1) requires the service provider to charge and collect a fee from a licensee for each loan the licensee approves and enters into the database; and (2) sets certain restrictions on that fee.

New Language in Green

3. The fee ~~***may***~~ *shall* be charged ~~only~~ at the time of loan origination and **must** ~~not~~ be charged to extend, roll over, renew, refinance, or consolidate a loan, or for any other action that extends the due date.

Consumer Protection Need for the Update

Currently, the database fee applies only to new loans, which incentivizes lenders to roll over or extend loans rather than treating those transactions as new loans. This loophole allows lenders to continue collecting fees and interest on extended obligations without triggering regulatory scrutiny or incurring additional costs. Treating each loan entry—whether a fresh advance or a significant modification—as a new loan ensures that all transactions are tracked and prevents loan stacking, excessive borrowing, and predatory lending practices.

Update Section 15: Ensuring Consumer Protections Remain Self-Funded

Section 15 of this regulation (1) requires the service provider to charge and collect a fee from a licensee for each loan the licensee approves and enters into the database; and (2) sets certain restrictions on that fee.

New Language in Green

1. Except as otherwise provided in this section, the service provider shall charge and collect a fee from each licensee for each loan the licensee approves and enters into the database. The fee:

(b) Must not exceed ~~$3~~ $6 per approved loan.

Consumer Protection Need for the Update

The fee was set at $3 per approved loan under Regulation R037-20 and has remained unchanged since its 2020 implementation. This fee funds the operation and maintenance of the statewide database that tracks deferred-deposit, title, and high-interest loans, ensuring transparency, consumer protection, and regulatory compliance. To keep the program self-funding and avoid state appropriations, a fee adjustment is both timely and necessary.

Many of the new consumer protection updates—such as data breach notification, treating rollover loans as new loans, and publishing annual reports—will require additional resources from the database provider. Without adequate funding, the system risks data gaps, technical outages, and weakened enforcement, all of which undermine consumer protection. In the five years since adoption, inflation, technological demands, and expanded regulatory responsibilities have increased the cost of maintaining a secure and effective system.

Alignment with Other States

Nevada's current $3 fee is lower than fees in comparable systems:

- Virginia: $6.98 per loan
- Florida: Up to $5 per transaction
- Oklahoma: $2.02 monthly fee (up to $24.24 annually)

These states operate similar databases for payday and installment loan products, and their higher fees reflect the true cost of secure data management, compliance monitoring, and consumer reporting.

Update Section 24: Oversight & Accountability

Section 24 of this regulation provides the Office of the Commissioner with access to the database for purposes of ensuring compliance and generating and publishing certain reports.

Updated Language in Green

2. The Office of the Commissioner may periodically run reports for purposes other than examinations, investigations, or internal reporting, including, without limitation, publishing online a report regarding the scope of the industry. Beginning July 1, 2027, the Commissioner must publish an annual online report regarding the scope of the industry. The data in such a report must not disclose identifying customer information or information that identifies a licensee, including, without limitation, the licensee's name, address, or license number. The report may contain:

a. The number of loans made for each loan product;

b. The number of defaulted loans;

c. The number of loans paid, including loans paid by their due dates and loans paid after their due dates;

d. The total amount borrowed and collected; and

e. Any other permissible data the Commissioner or their designee deems necessary.

Consumer Protection Need for the Update

Publishing annual reports promotes transparency and accountability. Consumers, advocates, and policymakers gain a clear view of lending trends and outcomes, and lenders are incentivized to act responsibly when their aggregate performance data may be publicly reported. Advocacy groups can use the data to monitor fairness, accessibility, and performance across the industry. The Commissioner's discretion to include relevant metrics ensures the reports remain responsive to evolving industry dynamics.

Update Section 25: Borrower Rights & Remedies

Section 25 provides that a customer has the right to request from a licensee, without charge, certain information relating to their loan and its repayment.

New Language in Green

2. Extended Payment Plans (EPPs) for payday loans are free of charge. Under this provision:

- Consumers may use an EPP once every 12 months with the same lender.
- EPPs incur no additional fees or interest; consumers repay only the original loan amount and any fees already incurred.
- Repayments are divided into at least four equal installments.
- Consumers must request the plan before the loan's original due date.

Consumer Protection Need for the Update

Requiring payday lenders to offer a free EPP once per year per lender provides borrowers with breathing room without penalizing them for hardship. Splitting repayment into equal installments and prohibiting additional fees or interest beyond the original loan and incurred charges helps consumers avoid surprise costs and rollover traps. The requirement to request the plan before the due date ensures proactive debt management and prevents penalties.

This transparent, no-cost EPP framework reduces default risk and supports effective budgeting, enabling consumers to repay on time and protect their credit. It also holds lenders accountable, discouraging predatory fee structures and promoting fair underwriting practices. Embedding a free EPP into payday lending regulations balances access to small-dollar credit with consumer financial stability and dignity.

Mark up of proposed amendments to NAC 604A to include duel licensees under NRS 675 and 604A as required to submit information to the FID loan database for consumer protection and ensuring consumers do not overextend their ability to pay by prohibiting loans from multiple, and different, lenders.

LCB File No. R037-20

Section 1. Chapter 604A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 25, inclusive, of this regulation.

Sec. 2. ***As used in sections 3 to 25, inclusive, of this regulation, unless the context otherwise requires, the words and terms in NRS 604A.036, 604A.038 and 604A.057, and sections 3 to 7, inclusive, of this regulation, have the meanings ascribed to them in those sections.*** **For the limited purpose of compliance with NRS 604A.303 and sections 3 to 25 , inclusive, of this regulation, the term "loan" includes any loan made by an entity dually licensed under NRS 604A and pursuant to chapter 675 of NRS.**

Sec. 3. ***"Database" means the database required by NRS 604A.303 to be developed, implemented and maintained.***

Sec. 4. ***"Delete" means to erase data by overwriting the data.***

Sec. 5. ***"Due date" means the date, based on a payment schedule and subject to all statutory requirements, on which a customer is scheduled to:***

1. ***Make a payment, either to pay the full amount of a loan, including principal, finance charge and fees, and extinguish the debts; or***
2. ***If applicable, make an installment payment.***

Sec. 6. ***"Identifying customer information" means:***

1. ***The name of a customer;***

2. The social security number or alien registration number of a customer;

3. The driver's license number of a customer; or

4. The number of an identification card which was issued to a customer by the Federal Government, this State or any other state,

➥ *that is entered into the database.*

Sec. 7. *"Service provider" means the vendor or service provider with which the Commissioner has contracted to develop, implement and maintain the database.*

Sec. 8. *For the purposes of sections 2 to 25, inclusive, of this regulation, a loan is closed if the final status of the loan is no longer active because the loan has been paid in full under the loan agreement, because the loan is a title loan and the vehicle securing the loan has been repossessed, because the licensee has charged off the loan or for any other reason.*

Sec. 9. *The service provider shall:*

1. Develop, implement and maintain the database.

2. Take all actions the service provider deems necessary to protect the confidentiality and security of the information contained in the database and be responsible for the confidentiality and security of such information.

Sec. 10. *The service provider shall:*

1. Retain the data in the database only as required to ensure that a licensee complies with the requirements of this chapter and chapter 604A of NRS.

2. Unless notified by the Commissioner that the data and identifying customer information relating to a transaction of a customer is needed for the purposes of a pending investigation or enforcement action:

(a) Archive the data in the database not later than 2 years after the loan is closed. As used in this paragraph, "archive" means to copy data to a long-term storage mechanism separate from the database.

(b) Delete the data and any identifying customer information from the database on the date that is 3 years after the date on which the loan is closed.

3. If the database becomes unavailable for any reason, notify the Office of the Commissioner not later than the next business day after the database becomes unavailable.

5. The service provider, including the database vendor and/or the loan provider, shall provide immediate notice to the Commissioner upon determining or reasonably believing that a breach of the database or lender, unauthorized acquisition of data, or other security incident has occurred that is reasonably likely to result in harm to a Nevada consumer, compromise identifying customer information, or impair the integrity or availability of the database system or lender. Such notice must be given in a manner consistent with NRS 603A.220 and NRS 675.283..

Sec. 11. *1. Access to the database must be limited to members of the staff of:*

(a) A licensee who underwrite and process loans;

(b) A licensee who collect and post payments made on loans;

(c) A licensee who are senior staff members;

(d) The service provider; and

(e) The Office of the Commissioner.

2. Each user of the database must be required to:

(a) Create a password to access the database that meets the criteria of the service provider for passwords; and

(b) Safeguard the password by not sharing the password with any person or by committing the password to writing.

Sec. 12. *1. Before making a deferred deposit loan, title loan or high-interest loan, a licensee shall query the database.*

2. To verify the identity of a customer, a query made pursuant to subsection 1 must include, at a minimum:

(a) The full name of the customer, including, without limitation, first and last name and middle initial;

(b) The social security number or alien registration number of the customer;

(c) The number of a valid identification card issued by a governmental entity which contains a photograph of the customer ; and

(d) The date of birth of the customer.

3. The service provider shall retain each query of the database for review by the Office of the Commissioner.

Sec. 13. *1. In response to a query by a licensee, the database must:*

(a) Provide the licensee with the information which a licensee may obtain pursuant to paragraphs (a) to (d), inclusive, of subsection 1 of NRS 604A.303;

(b) Inform the licensee whether a customer is eligible for a loan pursuant to this chapter and chapter 604A of NRS; and

(c) If the customer is ineligible for a loan, provide the licensee with the reason for such ineligibility.

2. In determining the ability of a customer to repay a loan for the purposes of chapter 604A of NRS, a licensee shall consider the information provided pursuant to subsection 1 and any other available information.

3. A licensee may approve a loan only if the making of the loan is permissible pursuant to the provisions of this chapter and chapter 604A of NRS.

4. If the database informs a licensee that a customer is ineligible for a loan, the licensee must provide the customer with a written notice which contains:

(a) The reason for the ineligibility;

(b) The contact information of the service provider; and

(c) A statement advising the customer to submit an inquiry to the service provider if the customer has questions regarding the specific reason for the ineligibility.

5. A written notice provided by a licensee pursuant to subsection 4 does not preclude or replace any disclosure required by federal law.

Sec. 14. *1. During any period in which the database is unavailable due to technical issues on the service provider's side of the system, a licensee may rely upon the written representation of a customer applying for a loan and assess the ability of the customer to repay the loan by obtaining the documentation required by this chapter and chapter 604A of NRS to verify that making the loan for which the customer applied is permissible pursuant to this chapter and chapter 604A of NRS.*

2. The written representation of a customer applying for a loan, which a licensee may rely on pursuant to subsection 1, must include, without limitation:

(a) An affirmation that the customer does not have any loan outstanding at the time the customer applies for the loan;

(b) If, at the time the customer applies for a deferred deposit loan or high-interest loan, the customer has another outstanding loan, an affirmation that:

(1) The amount of the additional deferred deposit loan or high-interest loan, as applicable, for which the customer is applying would not, when combined with the amount of the outstanding loan of the customer, exceed 25 percent of the expected gross monthly income of the customer; and

(2) The customer has the ability to repay the loan and the additional deferred deposit loan or high-interest loan for which the customer is applying; or

(c) If, at the time the customer applies for a title loan, the customer has outstanding another title loan, an affirmation that:

(1) The customer has the ability to repay the outstanding title loan and the additional title loan for which the customer is applying; and

(2) The title to the vehicle is not perfected with another lender or licensee.

3. If a licensee makes a loan to a customer during a period when the database is unavailable, whether due to a scheduled outage or other technical issues, a licensee must:

(a) Enter the loan into the database not later than 24 hours after the database becomes operational;

(b) Notate on the loan file that the loan was originated during a period the database was unavailable; and

(c) Retain all records of the loan transaction as required for any loan which is made by a licensee pursuant to the provisions of this chapter and chapter 604A of NRS.

Sec. 15. *1. Except as otherwise provided in this section, the service provider shall charge and collect a fee from each licensee for each loan which the licensee approves and enters into the database. The fee:*

(a) Must have been established by the competitive procurement process through which the service provider was selected by the Commissioner; and (b) Must not exceed $[~~3~~]6 per approved loan.

2. The service provider shall not charge or collect a fee from a licensee for a loan which is:

(a) Not approved;

(b) Voided; or

(c) Rescinded.

3. The fee ~~may~~ shall be charged ~~only~~ at the time of the origination of a loan and ~~cannot~~ must be charged to extend, roll over, renew, refinance or consolidate a loan, or for any other action which would extend the due date.

Sec. 16. *1. A licensee shall not charge or collect from a customer a fee:*

(a) If a loan is not approved.

(b) If a loan is voided.

(c) If a loan is rescinded.

(d) In an amount which exceeds the actual cost of the fee charged to the licensee by the service provider.

2. The fee must be itemized on the loan agreement, regardless of whether the fee is required to be included in the finance charge under the Truth in Lending Act, as amended, 15 U.S.C. §§ 1601 et. seq., and Regulation Z, 12 C.F.R. Part 226.

Sec. 17. *Except as otherwise provided in section 13 of this regulation, a licensee shall enter into the database, in real time:*

1. Each loan originated by the licensee;

2. Each renewal, extension, rollover and refinance of a loan;

3. Information concerning a loan that has entered a grace period;

4. Each payment on a loan;

5. The date on which an offer of a repayment plan is sent;

6. The date on which a repayment plan is entered into by the customer and the licensee;

7. Each declined loan; and

8. Any other transaction relating to a loan, as applicable, and in compliance with the provisions of this chapter and chapter 604A of NRS.

Sec. 18. *1. A licensee who makes:*

(a) A deferred deposit loan; or

(b) A high interest loan,

➥ *shall comply with the requirements of subsection 2.*

2. Except as otherwise provided in section 13 of this regulation, a licensee who makes a loan described in subsection 1 shall, in real time, enter into the database the following information:

(a) Whether the customer is a covered service member.

(b) Whether the customer is a dependent of a covered service member.

(c) The origination date of the loan.

(d) The term of the loan.

(e) The principal amount of the loan.

(f) The total finance charge associated with the loan.

(g) The fee charged for the loan.

(h) The due date of the loan.

(i) The annual percentage rate of the loan.

(j) The scheduled payment amount.

(k) The payment details as required by section 20 of this regulation.

(l) The type of loan product.

(m) The gross monthly income of the customer.

(n) The total obligations of the customer.

Sec. 19. *Except as otherwise provided in section 13 of this regulation, a licensee who makes a title loan shall, in real time, enter into the database the following information:*

1. Verification that the customer is the legal owner of the vehicle which secures the loan.

2. Whether the customer is a covered service member.

3. Whether the customer is a dependent of a covered service member.

4. The origination date of the loan.

5. The term of the loan.

6. The principal amount of the loan.

7. The total finance charge associated with the loan.

8. The fee charged for the loan.

9. The due date of the loan.

10. The annual percentage rate of the loan.

11. The scheduled payment amount.

12. The payment details as required by section 20 of this regulation.

13. The year, make, model and vehicle identification number of the vehicle which secures the loan.

14. The fair market value of the vehicle as valued by a third-party vendor.

15. If applicable:

(a) The name of the legal co-owner of the vehicle; and

(b) The consent of the legal co-owner of the vehicle for the vehicle to serve as security for the loan.

Sec. 20. *1. Except as otherwise provided in section 13 of this regulation, for each payment made on a loan, the licensee shall, in real time, enter into the database the following information, without limitation:*

(a) The scheduled payment amount.

(b) The due date of the payment.

(c) The actual payment amount.

(d) The date on which the payment was made.

(e) The allocation of the total payment, including, without limitation, the dollar amount applied to the principal and the dollar amount applied to interest and fees.

(f) The amount and date of the payment received from a customer when the loan is paid in full.

2. If a customer fails to make a payment as scheduled, the licensee shall enter into the database the following information:

(a) The new interest rate, if applicable.

(b) Whether a repayment plan was offered.

(c) Whether the customer entered into a repayment plan.

(d) The duration of the grace period, if any.

3. If a customer enters into a loan agreement which requires installment payments, the licensee must enter into the database the information required pursuant to subsection 1 for each installment payment.

Sec. 21. *Each licensee shall enter into the database and maintain the status of each loan originated by that licensee, including, without limitation:*

1. If the loan is in collection, whether being collected by the licensee or by a third party:

(a) The date on which the loan entered into collection.

(b) The payment history of the loan.

2. If the loan is in default:

(a) The date on which the loan entered into default.

(b) The payment history of the loan.

(c) And if the interest rate changed, the new rate and the date on which the rate changed.

3. If the loan is in a grace period:

(a) The date on which the loan entered into the grace period.

(b) The payment history of the loan.

4. If the loan is in a repayment plan:

(a) The date on which the loan entered the repayment plan.

(b) The payment history of the loan.

5. If the loan is closed:

(a) The date on which the loan closed.

(b) The reason the loan was closed.

6. If a vehicle which secured a loan was ordered to be repossessed:

(a) The date on which the vehicle was ordered to be repossessed.

(b) The date on which the repossession of the vehicle occurred.

Sec. 22. *A licensee shall retain for not less than 3 years all data and documentation collected and reviewed for any loan, loan transaction or query made in the database. For the purposes of this section, "documentation" includes, without limitation:*

1. All copies of the documents considered in determining the ability of a customer to repay a loan, including the gross monthly income of the customer, identity and credit history; and

2. For title loans, any third-party vendor documentation which shows the fair market value of the vehicle which secured the title loan and a copy of the title to the vehicle.

Sec. 23. *1. Except as otherwise provided in section 10 of this regulation, a licensee shall not delete any information relating to a customer that is entered into the database.*

2. If a loan or loan transaction is voided or rescinded, a licensee must notate on the loan file and in the database that the loan or loan transaction is voided or rescinded, as applicable, and the reason that the loan or loan transaction is voided or rescinded. Except as otherwise provided in section 10 of this regulation, the licensee shall not delete the voided or rescinded loan or loan transaction from the database.

Sec. 24. *1. The Office of the Commissioner must have access to the database and will use the database as a tool of enforcement to ensure the compliance of each licensee with the provisions of this chapter and chapter 604A of NRS.*

2. The Office of the Commissioner may periodically run reports for purposes other than examinations, investigations or internal reporting, including, without limitation, to publish online a report regarding the scope of the industry. **Beginning July 1, 2027, the Commissioner must publish an annual online report regarding the scope of the industry.** *The data in such a report must not disclose identifying customer information or information which identifies a licensee, including, without limitation, the name, address or number of the license of a licensee. The report may contain:*

(a) The number of loans made for each loan product;

(b) The number of defaulted loans;

(c) The number of loans paid, including the number of loans paid by their respective due dates and loans paid after their respective due dates;

(d) The total amount borrowed and collected; and

(e) Any other permissible data that the Commissioner or his or her designee deems necessary.

Sec. 25. *A customer may request from a licensee, without charge, fee or cost, a copy of his or her loan history, file, record and any other documentation relating to any loan for which the customer applied or the repayment of any loan made to the customer. A licensee shall offer a customer a no-cost Extended Payment Plan for a deferred deposit loan once every 12 months. An Extended Payment Plan offered pursuant to this subsection:*

(a) Must not include any additional fees or interest beyond the amounts already incurred under the original loan agreement;

(b) Must divide repayment into at least four substantially equal installments;

(c) Must be requested by the customer before the original due date of the loan; and

(d) Must be documented in the loan record maintained in the database.

December 9, 2025

Ms. Sandy O'Laughlin, Commissioner
State of Nevada, Department of Business and Industry
Financial Institutions Division
3300 W. Sahara Ave., Suite 250
Las Vegas, NV 89102
fidmaster@fid.state.nv.us

Re: Comments on proposed regulations pertaining to NRS Chapters 604A and 675 (LCB File No. R065-25) in response to the Financial Institutions Division's Notice of Second Workshop dated November 18, 2025.

Dear Commissioner O'Laughlin,

Check City Partnership, LLC ("Check City") operates 30 retail locations across the great State of Nevada and conducts online business in the State. Check City employs approximately 250 full-time employees and has provided Nevada customers with fair, transparently priced, and regulated access to financial services for the past 26 years.

Check City appreciates the opportunity to submit comments on the Financial Institutions Division's ("Division") proposed regulations pertaining to Nevada Revised Statutes Chapters 604A and 675. We have long supported sensible interpretations of the law and the adoption of rules that strengthen consumer protection while preserving access to safe, responsibly offered, and compliant credit products. Over the years, we have enjoyed a constructive relationship with the Division on regulatory matters, and we are grateful for the Division's continued openness to industry input.

Our comments below focus on two specific provisions of the proposed regulations - Sec. 6 and Sec. 15 - where we believe minor refinements could enhance clarity, practicality, and legal alignment without undermining the Division's objectives.

Sec. 6: Database Access Restrictions

We support the intent behind Sec. 6 to prevent misuse of the database and ensure that access aligns with loan inquiries. However, the current language

> ***"At no time shall a licensee access the database for marketing purposes. The eligibility check must be initiated by a customer seeking to obtain a loan and for no other purpose"***

is overly broad and risks inadvertently restricting routine, non-marketing administrative, daily operations, and customer service functions that are essential to compliant business operations.

For instance:

1) Licensees routinely access the database for legitimate administrative tasks, such as verifying compliance with loan limits, resolving customer disputes, or conducting internal audits—none of which constitute "marketing purposes." Without a clear definition of this term, well-intentioned access could be misinterpreted, leading to unnecessary compliance burdens.
2) Customers frequently contact licensees (e.g., via phone, email, and various online channels) to inquire about their credit availability or eligibility for future loans based on prior interactions. Responding to these inquiries requires database access to provide accurate, customer-service-oriented information, which supports transparency and builds trust rather than serving any marketing function.

To address these concerns, we respectfully suggest revising Sec. 6 to maintain strong protections against misuse while providing the necessary clarity and flexibility for the types of day-to-day operations listed above. The Division's goal is achievable, but it should be implemented without imposing undue burdens on licensees.

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(702)258-8888 | NVinfo@checkcity.com | www.checkcity.com

Sec. 15: Advertising Pre-Approval

We fully endorse the prohibitions in Sec. 15(1) and (2) against confusing or misleading advertising, as they promote fair competition and consumer clarity, and address potential gaps in current federal oversight. However, Sec. 15(3)'s current language:

> ***"No unethical advertising by licensees will be permitted and the Commissioner of Financial Institutions reserves the right to require all licensees to submit proposed advertising for approval before its dissemination through the press, by radio or television"***

raises significant concerns regarding breadth, enforceability, and potential legal conflicts.

Specifically:

The term "unethical advertising" lacks objective standards or examples, creating ambiguity that could lead to inconsistent application and chill licensees' ability to innovate in compliant marketing.

There is no guidance on the circumstances under which the Commissioner might exercise this broad pre-approval authority, nor any commitment to reasonable timelines for review (e.g., what if approval takes 60–90 days? Such delays could severely hamper a licensee's ability to respond to market conditions, launch timely promotions, or even maintain basic operational advertising, effectively stifling business viability), and no limits on denials.

Requiring all proposed advertising to be pre-approved appears unprecedented in this context and may exceed the scope of the Division's rulemaking authority. Moreover, it risks conflicting with federal protections under the First Amendment to the U.S. Constitution, which safeguards commercial speech unless it is verifiably false or deceptive. Blanket pre-approval requirements have been scrutinized and limited in similar contexts by the United States Supreme Court, and prior restraints on speech require narrow tailoring and procedural safeguards. Without such limits, this provision could invite legal challenges.

Furthermore, NRS Chapter 604A licensee advertising is already subject to rigorous federal oversight by the Consumer Financial Protection Bureau (CFPB) under Regulation Z of the Truth in Lending Act, which mandates specific disclosures in credit advertising, and through enforcement of prohibitions on unfair, deceptive, or abusive acts and practices (UDAAP). This existing federal framework ensures consumer protection in marketing without the need for an additional layer of state-mandated pre-approval, which could create duplicative requirements, increase compliance costs, and potentially conflict with federal standards.

Given these issues, we respectfully request that Sec. 15(3) be stricken entirely from the proposed regulations.

Conclusion -

In closing, these suggestions are offered in the spirit of constructive partnership to help craft regulations that are robust, fair, and enduring.

Thank you again for the chance to share our perspective as you work to finalize these regulations. We are committed to working collaboratively with the Division and welcome the chance to discuss our suggestions in greater detail.

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December 9, 2025

Ms. Sandy O'Laughlin, Commissioner
State of Nevada, Department of Business and Industry
Financial Institutions Division
3300 W. Sahara Ave., Suite 250
Las Vegas, NV 89102
fidmaster@fid.state.nv.us

Sent via U.S. Mail with Copy via Electronic Mail

Re: COMMENTS ON PROPOSED REGULATIONS PERTAINING TO CHAPTERS 604A AND 675
(LCB File No. R065-25)

Dear Commissioner O'Laughlin,

Moneytree, Inc. ("**Moneytree**") is a family-owned, privately held financial services company founded in 1983 in Renton, Washington. Today, Moneytree operates in five western states, including Nevada, where it offers both in-branch and online loans. Moneytree maintains 17 Nevada locations in the Las Vegas and Reno areas and employs more than 115 team members statewide.

For more than four decades, Moneytree has prided itself on constructive and transparent relationships with regulators and lawmakers. We support reasonable, clearly defined laws and regulations that promote both consumer protection and the continued availability of safe, regulated credit.

We appreciate the opportunity to review the amended proposed regulation in LCB File No. R065-25 ("**Proposed Regulation**") and submit the following comments in response to the Financial Institutions Division's ("**Division**") Notice of Second Workshop. Moneytree supports the Proposed Regulation in most respects but requests clarification or revision to the provisions outlined below.

A. <u>Sec.5(10) – Notice Regarding Differing Rights and Remedies</u>

Section 5(10) of the Proposed Regulation proposes to amend Chapter 604A of NAC to state:

> The licensee shall post in a conspicuous place in every location at which the licensee conducts business under this chapter a notice that explains the borrower's rights and lender's remedies following a default for a loan or obligation under this chapter, **and how those rights and remedies differ from the borrower's rights and lender's remedies following a default for a loan or obligation under NRS Chapter 675, including that the lender cannot sue the borrower for loans made under NRS 604A.5057**. The notice must be written, organized, and designed so that it is easy to read and understand;

Moneytree does not oppose posting a notice that explains the rights and remedies applicable to the products the licensee actually offers under Chapter 604A. However, requiring a 604A-only lender to

explain how its remedies differ from those under Chapter 675—when the lender does not offer any Chapter 675-governed products—would be confusing and misleading to consumers.

Similarly, requiring a lender that does not offer loans under NRS 604A.5057 to explain that those loans cannot be the subject of a lawsuit risks implying that such loans are available or relevant to the consumer when they are not. To genuinely assist consumers, notices should focus on the rights and remedies relevant to the products a licensee actually provides. Multiple references to inapplicable Nevada Revised Statutes would likely confuse borrowers and dilute the usefulness of the notice.

To avoid consumer confusion and ensure the notice is accurate and meaningful, we respectfully urge the Division to clarify that the notice must address only the rights and remedies applicable to the products the licensee actually originates. For example, the regulation could state:

> The licensee shall post in a conspicuous place in every location at which the licensee conducts business under this chapter a notice that explains the borrower's rights and lender's remedies following a default for a loan or obligation under this chapter.~~,~~ If the licensee also provides loans under NRS Chapter 675, the notice shall also include ~~and~~ how those rights and remedies differ from the borrower's rights and lender's remedies following a default for a loan or obligation under NRS Chapter 675, including that the lender cannot sue the borrower for loans made under NRS 604A.5057, if the borrower offers loans made under NRS 604A.5057. For clarity, licensees need not provide information regarding rights or remedies, or provide comparisons, for products not offered by the licensee. The notice must be written, organized, and designed so that it is easy to read and understand;

B. Sec.6 – Accessing the Database

Section 6 of the Proposed Regulation proposes to amend Chapter 604A of NAC to state:

> At no time shall a licensee access the database for marketing purposes. **The eligibility check must be initiated by a customer seeking to obtain a loan and for no other purpose.**

Moneytree fully supports the prohibition on accessing the database for marketing purposes. However, the second sentence is overly broad and would conflict with the practical and legislative requirements governing database use.

Licensees must access the database for various non-marketing, non-solicitation purposes, other than when a customer seeks to obtain a loan. These may include:

- Updating customer information;
- Correcting clerical errors;
- Resolving discrepancies between database entries and loan records; and
- Performing other administrative updates required by law or by Veritec's system design.

Restricting access only to instances where the customer "initiates" a loan application would effectively impose strict liability on licensees for routine administrative tasks or inevitable mistakes—even though these actions serve no marketing purpose and pose no consumer-protection risk.

We respectfully recommend retaining the first sentence and striking the second sentence, which would meet the Division's stated objective while avoiding unintended consequences for both consumers and licensees.

C. **Sec.15(3) – Submitting Proposed Advertising for Approval**

Section 15(3) of the Proposed Regulation proposes to amend NAC 604A.210 to include the following:

> No unethical advertising by licensees will be permitted and the Commissioner of Financial Institutions reserves the right to require all licensees to submit proposed advertising for approval before its dissemination through the press, by radio or television.

Moneytree is concerned that this provision is overbroad, lacks clear standards, and exceeds the authority granted under NRS 604A and NRS 675. The regulation does not define what constitutes "unethical" advertising, nor does it explain when or why licensees might be required to submit advertisements for prior approval. It also provides no criteria, timelines, or procedural standards to guide the Division's review. Moreover, the provision could be interpreted as requiring prior governmental approval of all advertising, which would effectively function as a prior restraint.

Commercial speech, including truthful and non-misleading advertising, is protected under the First Amendment of the U.S. Constitution, and advertising that complies with existing law—including truth-in-advertising requirements—should not be subject to prior governmental approval absent clear statutory authority and narrowly tailored, well-defined criteria.

For these reasons, we respectfully request that Section 15(3) be withdrawn.

D. **Conclusion**

Moneytree appreciates the Division's ongoing efforts to ensure clarity, fairness, and consumer protection within Nevada's regulated lending framework. We support the majority of the Proposed Regulation and request the targeted revisions described above to avoid consumer confusion, prevent unintended compliance burdens, and ensure that new requirements remain consistent with statutory and constitutional principles.

We welcome continued collaboration and are available to discuss these comments in greater detail.

Good morning. My name is Peter Guzman, and I am the President and CEO of the Latin Chamber of Commerce.
The Latin Chamber firmly believes in giving people and small businesses options. As such, we fully support the regulations presented during the first workshop on October 14th, but we strongly oppose the newly drafted regulations proposed today.

The regulations presented today introduce unnecessary barriers that make offering lower-interest loans economically impossible for lenders. By preventing lenders from efficiently offering Chapter 675 loans, the Division is inadvertently stripping small businesses of the ability to innovate and provide the affordable capital that their communities desperately need.

These restrictions do not just hurt the lending industry; they stifle the small business owners who rely on diverse financial products to survive in a challenging economic climate. I have heard firsthand from members who had to use these specific financial products to meet payroll during their initial years in business. We need to create more options for them, rather than placing roadblocks in front of cheaper financial products.

By allowing these products to coexist, the October framework created a pathway for borrowers to graduate from emergency, high-interest credit to sustainable, lower-interest products. That structure empowered consumers to choose the tool that best fit their immediate needs, rather than being pigeonholed into a single, more expensive category.
We urge the Division to return to the October framework. Let us work together to provide borrowers with the cheaper options they deserve and give small businesses the tools they need to succeed. Thank you.

Northern Nevada
Reno, NV

NCEDSV
Nevada Coalition to **END** Domestic and Sexual Violence

Southern Nevada
Henderson, NV

250 S. Rock Blvd., Suite 116
Reno, NV 89502

Dear Deputy Commissioner Young,

My name is Ryley Svendsen, and I am the policy coordinator with the Nevada Coalition to End Domestic and Sexual Violence. We are writing in opposition to the proposed regulations that would allow dual licensure for high-interest lenders and installment lenders.

Economic abuse occurs in approximately 99% of domestic violence cases and is one of the most powerful tactics used to trap victim-survivors in violent relationships. Common tactics of economic abuse includes controlling access to money, destroying credit, and taking out debt in the victim's name, which make it nearly impossible for victim-survivors to establish the financial independence necessary to leave unsafe situations.

When victim-survivors do attempt to leave, they often have poor credit, limited savings, and urgent financial needs for housing deposits, transportation, or basic necessities. In these vulnerable moments, access to fair lending options can mean the difference between safety and returning to an abuser.

From a violence prevention standpoint, we must understand that financial stability is foundational to safety. Our work to prevent violence and support victim-survivors cannot succeed if we allow predatory lending practices that trap people in cycles of debt and dependency.

Nevada already faces significant challenges: we consistently rank high for rates of sexual and domestic violence, and our state budget provides no dedicated line item for domestic or sexual violence prevention. The economic pressure on Nevadans is tremendous. We should be expanding pathways to economic stability, not creating additional opportunities for exploitation.

When we allow practices that push vulnerable people into high-interest debt, we undermine violence prevention efforts. We make it harder for people to leave violent situations, harder to maintain independence after leaving, and harder to build the economic foundation necessary for long-term safety.

The Nevada Coalition to End Domestic and Sexual Violence urges the Financial Institutions Division to reject these proposed regulations. The separation between high-interest lending and installment lending exists to protect consumers at their most vulnerable. These regulations erode that protection. Economic justice and violence prevention are deeply interconnected, and we urge you to reject the proposed changes.

Thank you for your time and consideration.

Ryley Svendsen

From: Kyle Alexandre <kalexandre@elfaonline.org>
Sent: Tuesday, December 16, 2025 10:24 AM
To: FID Master <FIDMaster@fid.state.nv.us>
Subject: ELFA Public Comments

ELFA respectfully requests that the regulation be revised to clearly state that Section 2 applies only to entities holding dual licenses under NRS 604A and NRS 675. Without that clarification, the provision risks being read more broadly than intended, creating confusion and unintended compliance obligations for businesses outside the scope of the statute. Narrowing Section 2 to dual-licensed entities aligns the regulation with legislative intent, provides regulatory clarity, and avoids inadvertently capturing legitimate commercial finance and equipment leasing activity.

ELFA
EQUIPMENT LEASING & FINANCE ASSOCIATION

Kyle L. Alexandre
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1625 Eye Street NW, Suite 850, Washington, DC 20006

From: Andrew Clarke <andrew@newdaynevada.org>
Sent: Tuesday, December 16, 2025 10:31 AM
To: FID Master <FIDMaster@fid.state.nv.us>
Subject: Public Comment on Loan changes

My name is Andrew Clarke, C-L-A-R-K-E, on behalf of New Day Nevada. New Day Nevada is an organization that champions economic policies that benefit all Nevadans. Unfortunately, the proposed regulatory change regarding payday lenders strengthens private industry at the expense of the public good. At a time of economic pain and uncertainty, we ask you all to reject this proposal. While these regulations should not be passed, if they are, we appreciate the added consumer protections.

Andrew Clarke
Revenue Coalition Manager

702-635-4732

Nevada's CREDIT UNIONS

December 8, 2025

Via U.S. Mail and Email:
fidmaster@fid.state.nv.us

Commissioner Sandy O'Laughlin
Nevada Financial Institutions Division
Department of Business and Industry
3300 W. Sahara Avenue, Suite 250
Las Vegas, NV 89102

Re: Opposition to Proposed Amendments to Nevada Administrative Code Chapters 675 and 604A (NAC 675 and 604A) – *Dual Licensure*

Dear Commissioner O'Laughlin:

On behalf of the Nevada Credit Union League (League), also known as Nevada's Credit Unions, representing the state's not-for-profit, member-owned credit unions, we appreciate the opportunity to comment on the Financial Institutions Division's (FID's) proposed amendments to Chapters 675 and 604A of the Nevada Administrative Code (NAC 675 and 604A) regarding dual licensure. Although NAC 675 and 604A do not regulate credit unions directly, the League and its member credit unions remain deeply committed to preserving the integrity and fairness of Nevada's financial marketplace, prompting us to comment on the potential implications of this proposal. As proposed, the amended regulations would permit lenders to simultaneously operate under both a license to conduct installment lending under Nevada Revised Statutes Chapter 675 (NRS 675) and a license to conduct high-interest payday lending under NRS 604A, subject to specified requirements. We share the state's interest in promoting safe and accessible financial services for all Nevadans. However, we must express our strong opposition to this approach, as we are concerned that the proposed framework fails to provide adequate consumer protections or maintain the requisite clarity and safeguards essential to a fair and transparent financial marketplace.

Adequacy of Required Disclosures

Installment loans under NRS 675 tend to be lower interest, while payday loans under NRS 604A tend to be a more convenient but higher interest short-term alternative with fewer consumer protections in general. However, despite the added protections proposed in NAC 675 and 604A, consumers remain vulnerable to confusion and conflicting information.

While the proposal requires lenders under both NAC 675 and 604A to post their applicable fees and rates, disclosures alone may not ensure that consumers fully understand the true costs, risks, or long-term obligations of these loans. Many borrowers already struggle to interpret complex fee structures or recognize how repeated refinancing, rollovers, or extended repayment schedules can lead to escalating debt. In the same way, the proposed requirement to post a notice explaining the

borrower's rights and the lender's remedies following a default may not ensure that a less sophisticated borrower will have sufficient information to identify and compare the risks and benefits of alternative loan and lender options available to them. While not a complete solution, a model notice could be beneficial for this purpose.

History of Predatory Practices

Installment and payday lending have generally been kept separate and distinct under the law, subject to different rules, regulations, and licensing requirements. Despite the protections that currently exist or those being proposed, maintaining that clear distinction between these two categories of loan products is essential to helping reduce consumer confusion and ensure that unscrupulous lenders aren't in a position to drive vulnerable consumers into more profitable higher-risk loans that aren't in the consumer's best interest.

Without an understanding of and access to affordable alternatives, consumers facing financial emergencies will often turn to predatory payday lenders who offer a seemingly quick and easy solution while charging annual percentage rates approaching 400%.[1] According to the federal Consumer Financial Protection Bureau (CFPB), 80% of payday loans are not repaid within the initial two-week loan period, trapping borrowers in a cycle of repeat borrowing,[2] Research by the Pew Charitable Trusts further shows that the average borrower remains in debt for five (5) months of the year, ultimately paying $520 in fees to borrow just $375.[3]

Historically, there has been a pattern of payday lenders operating in Nevada that have targeted financially vulnerable consumers, relying on complex fee structures, rollover practices, and refinancing models that can confuse the borrower and quickly escalate the overall cost of borrowing. Past experiences in the State show that, without strict limitations and controls, high-cost lenders may engage in business practices that prioritize revenue over consumer financial stability, placing borrowers at risk of repeated debt cycles and financial hardship[4].

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[1] *See* Consumer Financial Protection Bureau: *What is an annual percentage rate (APR) and why is it higher than the interest rate for my payday loan?* https://www.consumerfinance.gov/ask-cfpb/what-is-an-annual-percentage-rate-apr-and-why-is-it-higher-than-the-interest-rate-for-my-payday-loan-en-1625/

[2] *See* NPR *Payday Loans Are Still a Cash-Fix for Many Americans, Even as CFPB Rolls Back Some Rules*, June 28, 2024. https://www.npr.org/2024/06/28/g-s1-246/payday-loans-cash-cfpb

[3] *See* The Pew Charitable Trusts: Payday Loan Facts and the CFPB's Impact, January 14, 2016. https://www.pew.org/en/research-and-analysis/fact-sheets/2016/01/payday-loan-facts-and-the-cfpbs-impact

[4] Nevada Financial Institutions Division, *Enforcement Actions*, https://fid.nv.gov/Opinion/Enforcement_Actions/ (documenting license revocations, fines, and corrective actions against high-cost lenders in Nevada); Nevada Department of Business & Industry v. Dollar Loan Center, LLC, 134 Nev. 679 (2018), https://law.justia.com/cases/nevada/supreme-court/2018/70002.html (Supreme Court ruling prohibiting abusive rollover/refinancing practices that perpetuate debt cycles); The Nevada Independent, "Audit finds nearly a third of Nevada payday lenders violated rules over last five years," June 2021, https://thenevadaindependent.com/article/audit-finds-nearly-a-third-of-nevada-payday-lenders-violated-rules-over-last-five-years; Nevada Appeal, "Payday loan companies targeted in legislative hearings over predatory practices," March 28, 2007, https://www.nevadaappeal.com/news/2007/mar/28/payday-loan-companies-targeted/

For families already struggling financially, these loans create a cycle in which the cost of borrowing exceeds the original emergency expense many times over. Without meaningful safeguards, consumers—particularly those under financial stress—could unintentionally choose products that worsen their financial situation. Despite the requirement for a lender to operate under these two licenses at separate locations or proposed restrictions on the circumstances under which a lender can issue a loan under NAC 675 or 604A, this dual licensing approach would still increase access to high-cost credit without significantly improving consumer understanding or protections, leaving financially vulnerable Nevadans at greater risk of default and long-term financial instability. There remain no real safeguards to prevent a lender with dual licenses from marketing to or otherwise encouraging consumers to engage in more risky credit behavior.

Impact on Lender Competition and Trust

Beyond these concerns, expanding installment lending authority for high-cost lenders risks creating confusion between responsible, member-owned credit unions and lenders whose business models are fundamentally different. Credit unions offer transparent, affordable products through a cooperative system designed to promote long-term financial stability, supported by counseling, financial education, and individualized repayment support. The proposed amendments open the door for credit unions to be unfairly perceived as similar to predatory lenders, which can ultimately damage member trust and discourage participation in safe, community-based financial services. The credit union system is built on member trust and the desire to ensure that consumers have access to the safest and most affordable options available.

In evaluating the proposed expansion of NAC 675 and 604A, it is important to keep in mind the measurable consumer benefits credit unions currently deliver to Nevada households—benefits that serve as a direct counterweight to the high-cost lending practices this proposal would bolster. Nevada credit unions provided more than $117 million in direct financial benefits to their members in 2025 alone, and more than $311.6 million in total economic benefits statewide[5]. A portion of these savings represents dollars that financially vulnerable consumers would otherwise spend on high-interest payday or installment products.

Given the well-documented history of payday lenders taking advantage of Nevada consumers—and the broader national record of triple-digit APRs, rollover cycles, and cumulative fee structures—the proposed regulatory changes are moving the needle in the wrong direction, and risk diverting consumers from documented savings opportunities and back into high-cost credit channels.

The proposed regulatory expansion could also create an uneven competitive environment that disadvantages institutions operating under rigorous safety, soundness, and consumer-protection obligations. Credit unions adhere to strict supervisory standards, maintain prudent underwriting

[5] America's Credit Unions Economics, Nevada Member Benefits Report – 2025 State-Level Analysis (2025).

practices, and hold themselves accountable to their members—standards that do not uniformly apply to high-cost lenders. When entities with fundamentally different regulatory accountabilities offer superficially similar products, consumers may not recognize the differences that could materially affect their long-term financial well-being.

Conclusion

For these reasons, the League firmly opposes the proposed dual licensing structure. The proposal would expose consumers to increased risk, undermine marketplace clarity and fairness, and erode public trust in Nevada's regulated financial framework. We respectfully urge the FID to reconsider this approach and reaffirm Nevada's long-standing commitment to fair, transparent, and consumer-focused lending.

The League values the continued partnership between the FID and Nevada's credit unions and appreciates the Division's ongoing commitment to consumer protection and regulatory fairness. We thank you for the opportunity to comment on this proposal and stand ready to assist in any further evaluation of its potential impacts. Please do not hesitate to contact me with any questions.

Sincerely,

Lucy Ito
Interim President and CEO
Nevada Credit Union League