

STATE OF NEVADA



**DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION**

**NOTICE OF INTENT TO ACT UPON A REGULATION
AND HEARING AGENDA**

Notice of Hearing for the Adoption of Regulations

The State of Nevada, Department of Business and Industry, Financial Institutions Division (“Division”) will hold a public hearing on Thursday, **October 10, 2024, at 10:00 a.m.** via Microsoft Teams conference and in-person. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of permanent regulations that pertain to Chapter 670B and 675 of the Nevada Administrative Code (“NAC”).

Date: October 10, 2024

Time: 10:00 a.m. PST

To join by Microsoft Teams, join the Teams meeting by clicking on the link below:

[Join the meeting now](#)

Meeting ID: 288 456 364 475

Meeting password: TakGci

To join by telephone:

Call: 1-775-321-6111

Phone ID: 849 151 843#

For those wishing to participate in-person, the following physical location is being made available:

Nevada State Business Center
Tahoe Room, 4th Floor
3300 W. Sahara, Avenue
Las Vegas, Nevada 89102

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation and the adoption of Chapter 670B and 675 of the Nevada Administrative Code (“NAC”), LCB File No. R120-23, dated August 30, 2024.

The following information is provided pursuant to the requirements of the Nevada Revised Statutes (“NRS”) 233B.0603:

LCB File No. R120-23

A regulation relating to student education loans; establishing requirements for the licensure of student loan servicers; establishing the method for obtaining an exemption from certain procedures for licensure as a student loan servicer; requiring applicants for licensure as a student loan servicer and licensed student loan servicers to obtain the approval of the Commissioner of Financial Institutions for certain changes; authorizing the Commissioner to request certain information or documentation to perform an investigation or examination of an applicant for a license as a student loan servicer or a licensed student loan servicer; establishing certain assessments and fees; establishing regulations for the operation of the business of a student loan servicer in this State; requiring licensed student loan servicers to annually submit certain information to the Commissioner; specifying certain conduct for which the Commissioner may revoke, suspend or refuse to renew the license of a student loan servicer; establishing regulations governing the operation of private education lenders in this State; and providing other matters properly relating thereto.

1. Need for and purpose of the proposed regulation:

The regulation is required as a result of the passage of Assembly Bill 332 (“A.B. 332”) during the 82nd Session of the Nevada Legislature. This regulation is needed for the Division to administer, carry out and enforce the provisions of A.B. 332, which is codified as NRS 670B.

2. Description of proposed regulation and the manner in which approved or revised text of the proposed regulation prepared by the Legislative Counsel Bureau (“LCB”) may be obtained.

The regulation proposed for adoption is stated in the attached Proposed Regulation of the Commissioner of the Financial Institutions Division, LCB File No. R120-23. This includes:

- Providing a framework that will create the best relationship between NFID and the student education lending and servicing industry.
- Establishing certain fees and assessments.
- Establish disclosure requirements.
- Establish reporting requirements.
- Other matters properly related thereto.

Access to the approved or revised text of the proposed regulation prepared by the LCB pursuant to NRS 233B.063 may be obtained by visiting the website of the Nevada Legislature at <http://www.leg.state.nv.us>, click “Register of Administrative Regulations” on the right-hand side of the home page, click “Numerical Index” appearing under the category “2023 Regulations.” Access may then be obtained by scrolling down the list of LCB File Numbers to seek “R120-23” or by performing a search function specifying LCB File Number “R120-23” and clicking upon the item(s).

3. Statement of estimated economic effect of the proposed regulation on the business of financial product or service providers and upon the public.

The estimated economic effect of the proposed regulation on the business which it is to regulate:

a. Adverse effect:

- i. Immediate effect- Regarding economic impact, the Division received one comment regarding the requirement to maintain accounting records of accounts collected and remitted on, sending annual notices to borrowers with more than one loan being serviced, and sending monthly statements to borrowers would increase operating costs and complexity and that it would require more engineering resources to develop systems to comply.

These provisions are necessary for borrowers and licensees should maintain up-to-date and accurate records. This should not cause any additional requirements since this should be part of a servicer’s normal course of business.

- ii. Long-term effect- Regarding economic impact, the Division received one comment regarding the requirement to maintain accounting records of accounts collected and remitted on, sending annual notices to borrowers with more than one loan being serviced, and sending monthly statements to borrowers would increase operating costs and complexity and that it would require more engineering resources to develop systems to comply.

These provisions are necessary for borrowers and licensees should maintain up-to-date and accurate records. This should not cause any additional requirements since this should be part of a servicer’s normal course of business.

b. Beneficial effect:

- i. Immediate effect- The Division did not receive any comments regarding the economic benefits of the proposed regulation.
- ii. Long-term effect- The Division did not receive any comments regarding the economic benefits of the proposed regulation.

The Division has determined that the proposed regulation does not have an adverse economic impact on small business.

4. Statement identifying the methodology used by the Division in determining the impact of the proposed regulation upon a small business.

The Division reviewed the proposed regulation and preliminarily determined that it will not impose a direct and significant economic burden upon a small business, or directly restrict the formation, operation or expansion of a small business.

The Division vetted this preliminary determination by soliciting comments on the issue as part of the small business impact questionnaire and of its notice of workshop for the proposed regulation and in its e-mail notification to current licensees under the impacted chapter of the NRS, as well as the Division's regulatory action contact list. Additionally, the notice of workshop and small business impact statement was posted on the Division's website, the State's official website, the Nevada Legislature's website and at the public location of the Division's office in Las Vegas. Following the conducted two workshops and consideration of the comments received during both workshops, and comments from twelve (12) entities who responded to the small business impact questionnaire, the Commissioner concluded that the proposed regulation does not impose a significant and direct burden upon a small business or restrict the formation, operation, or expansion of a small business.

5. The estimated cost to the agency for enforcement of the proposed regulation.

The estimated cost to the Division for enforcement of the proposed regulation should be covered by the proposed fees to be collected by the Division. The Division does not foresee the need for any additional funding or budget increase.

6. Overlap or duplication with other state, local governmental or federal agencies.

To our knowledge, the proposed regulation does not duplicate any existing federal, state, or local standards regulating the same activity.

7. Existence of federal law requirement for proposed regulation or whether proposed regulation includes more stringent provisions than required by federal regulation governing same activity

The proposed regulation does not duplicate any existing federal, state, or local standards regulating the same activity.

8. Establishment of new fee or increase to existing fee.

The 1st Year → \$75,600 (Based on the application fee of \$800.00 and initial licensing fee of \$1,000 for 42 entities).

The 2nd Year → \$199,500 (Based on yearly renewal fee of \$1,000 and hourly examination Fee of \$75 with the average examination projected to take approximately 50 hours to complete). It is also expected that the following yearly examinations will not take 50 hours to complete thus lowering this cost in future years.

There is also an annual Certified Public Account (CPA) assessment and Attorney General (AG) assessment. The CPA assessment covers the expenses to employ the CPA and no more than the projected expenses are assessed to the licensees. The AG assessment covers the amount the Division is assessed by the AGs Office and no more than the assessed amount. The total projected expense for

each the CPA and AG is divided among all licensees the Division regulates, not just this industry, keeping the total assessment per licensee at a minimal.

The fees collected will be used by the Division to regulate the industry at the most economical method possible with the Division's established objective to maintain fees at a level to cover agency costs to implement/operate/enforce and not to over burden small business with high and unnecessary fees.

COMMENTS AND WRITTEN SUBMISSIONS

Persons wishing to comment upon the proposed action of the Financial Institutions Division may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Financial Institutions Division at fidmaster@fid.state.nv.us or at 3300 West Sahara Avenue, Suite 250, Las Vegas, Nevada, 89102. Written submissions must be received by the Division on or before **October 1, 2024**. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Financial Institutions Division may proceed immediately to act upon any written submissions.

COPIES OF PROPOSED REGULATION

A copy of this notice and the proposed regulation to be adopted will be on file at the Nevada State Library & Archives, 100 N. Stewart Street, Carson City, Nevada, 89701, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation to be adopted will be available at the Division's website at www.fid.nv.gov

This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed or emailed to members of the public upon request. A reasonable fee may be charged for copying.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation as far in advance as possible via email fidmaster@fid.state.nv.us

Note that NRS 233B.064(2) provides as follows:

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This Hearing Notice has been sent to all interested persons on the Division's mailing list for administrative regulations and posted at the following locations:

Posted at the Division's principal office/in-person physical location- 3300 W. Sahara, Ave., Las Vegas, Nevada 89102

Posted online to the Nevada Legislature website: <https://www.leg.state.nv.us/App/Notice/A/>

Posted online to the State of Nevada Public Notice website: <https://notice.nv.gov>

**NOTICE OF PUBLIC MEETING
TO CONDUCT A HEARING FOR ADOPTION
OF REGULATIONS OF THE COMMISSIONER OF THE FINANCIAL
INSTITUTIONS DIVISION
LCB FILE No. R120-23
AND
MEETING AGENDA**

The State of Nevada, Financial Institutions Division (“Division”), 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 is proposing the adoption of regulations to Chapter 670B and 675 of the Nevada Administrative Code (“NAC”). The proposed regulations are required as a result of the passage of Assembly Bill 332 (“A.B. 332”) during the 82nd Session of the Nevada Legislature. A public meeting on this matter has been set for Thursday, **October 10, 2024, at 10:00 a.m.**, via Webex conference and in-person.

Date: October 10, 2024

Time: 10:00 a.m. PST

To join by Microsoft Teams, join the Teams meeting by clicking on the link below:

[Join the meeting now](#)

Meeting ID: 288 456 364 475

Meeting password: TakGci

To join by telephone:

Call: 1-775-321-6111

Phone ID: 849 151 843#

For those wishing to participate in-person, the following physical location is being made available:

Nevada State Business Center

Tahoe Room, 4th Floor

3300 W. Sahara, Avenue

Las Vegas, Nevada 89102

The purpose of the meeting is to conduct a hearing of all interested persons regarding the following proposed regulation and for the Division to take possible action on the regulation's adoption. Please submit any written comments no later than **October 1, 2024**.

LCB File No. R120-23

loan servicers; establishing the method for obtaining an exemption from certain procedures for licensure as a student loan servicer; requiring applicants for licensure as a student loan servicer and licensed student loan servicers to obtain the approval of the Commissioner of Financial Institutions for certain changes; authorizing the Commissioner to request certain information or documentation to perform an investigation or examination of an applicant for a license as a student loan servicer or a licensed student loan servicer; establishing certain assessments and fees; establishing regulations for the operation of the business of a student loan servicer in this State; requiring licensed student loan servicers to annually submit certain information to the Commissioner; specifying certain conduct for which the Commissioner may revoke, suspend or refuse to renew the license of a student loan servicer; establishing regulations governing the operation of private education lenders in this State; and providing other matters properly relating thereto.

A copy of all materials relating to the proposal(s) may be obtained at the meeting or by visiting the Division's website at www.fid.nv.gov or by contacting the Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120. A reasonable fee for copying may be charged. Members of the public who would like additional information about the proposed regulation may contact Mary Young, Deputy Commissioner, at (702) 486-4120, or e-mail to fidmaster@fid.state.nv.us

Notice of the meeting was provided via electronic means to all persons on the e-mail lists for noticing of administrative regulations maintained by the Division and licensees this regulation affects. This *Notice of Public Meeting* was posted to the agency's website at [Proposed Regulations \(nv.gov\)](http://www.fid.nv.gov), the Nevada Legislature's website at <http://www.leg.state.nv.us>.

HEARING AGENDA

The State of Nevada, Department of Business and Industry, Financial Institutions Division
October 10, 2024 • 10:00 a.m.

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation pertaining to Chapter 670B and 675 of the Nevada Administrative Code (“NAC”). LCB File No. R120-23, dated August 30, 2024.

1. Open Hearing: R120-23.
2. Public comment.
3. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R120-23- NAC chapter 670B and 675

4. Adoption of Proposed Regulation R120-23 (For Possible Action)
5. Public Comment.

6. Close Hearing: R120-23. (Adjournment)

Supporting public material for this workshop may be requested from Mary Young, Deputy Commissioner, Financial Institutions Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 or fidmaster@fid.state.nv.us

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and discussion relating to an item may be delayed or continued at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public comment may be limited to three minutes per speaker. Members of the public are encouraged to submit written comments for the record.

PROPOSED REGULATION OF THE COMMISSIONER
OF FINANCIAL INSTITUTIONS LCB File No. R120-23

August 30, 2024

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

AUTHORITY: §§ 1-3, 12-22, 24, 26-33 and 35-37, NRS 670B.600; § 4, NRS 670B.230 and 670B.600; § 5, NRS 670B.210 and 670B.600; § 6, NRS 670B.240 and 670B.600; § 7, NRS 670B.320 and 670B.600; § 8, NRS 670B.600 and 670B.640; §§ 9 and 10, NRS 670B.350, 670B.600 and 670B.690; § 11, NRS 670B.600, 670B.640 and 670B.690; § 23, NRS 670B.600 and 670B.620; § 25, NRS 670B.600 and 670B.690; § 34, NRS 670B.450 and 670B.600; § 38, NRS 675.170.

A REGULATION relating to student education loans; establishing requirements for the licensure of student loan servicers; establishing the method for obtaining an exemption from certain procedures for licensure as a student loan servicer; requiring applicants for licensure as a student loan servicer and licensed student loan servicers to obtain the approval of the Commissioner of Financial Institutions for certain changes; authorizing the Commissioner to request certain information or documentation to perform an investigation or examination of an applicant for a license as a student loan servicer or a licensed student loan servicer; establishing certain assessments and fees; establishing regulations for the operation of the business of a student loan servicer in this State; requiring licensed student loan servicers to annually submit certain information to the Commissioner; specifying certain conduct for which the Commissioner may revoke, suspend or refuse to renew the license of a student loan servicer; establishing regulations governing the operation of private education lenders in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Commissioner of Financial Institutions to adopt any regulations necessary to carry out the provisions of law relating to student education loans, including, without limitation, the licensing of student loan servicers and private education lenders and the regulation of student education loans, student loan servicers, private education loans and private education lenders. (NRS 670B.600)

Section 3 of this regulation provides that, in addition to holding a license issued by the Commissioner, a person who wishes to engage in student loan servicing in this State is required to: (1) hold any other required license or permit issued by a local governmental entity; and (2) have a place of business, as defined in section 2 of this regulation, that satisfies certain standards. **Section 4** of this regulation requires an applicant for a license to act as a student loan servicer whose place of business is located outside this State to agree that unless the Commissioner authorizes the electronic submission of books, accounts, papers, records and files, the applicant will: (1) make the books, accounts, papers, records and files of the student loan servicer available to the Commissioner at a location within this State; or (2) pay the reasonable expenses for the travel, meals and lodging of the Commissioner that are incurred during an investigation or examination made at an office or principal place of business that is located outside this State.

Existing law requires certain applicants for a license as a student loan servicer to submit a written

application to the Commissioner along with certain other items, including a surety bond in an amount determined by the Commissioner. (NRS 670B.210) **Section 5** of this regulation establishes the amount of the surety bond, based on the amount of student education loans serviced in this State by the applicant, and sets forth the terms on which the surety bond is conditioned.

Existing law: (1) exempts a person seeking to act as a student loan servicer from certain application procedures if the Commissioner determines that the person's student loan servicing performed in this State is conducted pursuant to a contract awarded by the United States Secretary of Education in accordance with federal law; and (2) requires the Commissioner to prescribe by regulation the procedure for documenting a person's eligibility for the exemption. (NRS 670B.240) **Section 6** of this regulation requires such a person to submit to the Commissioner an executed copy of the contract.

Existing law requires a licensee or an applicant for a license to notify the Commissioner in writing of any change in the information provided in the initial application for a license or the most recent application for renewal of a license not later than 10 days after the occurrence of the event that results in such information becoming inaccurate. (NRS 670B.320) **Section 7** of this regulation requires the licensee or applicant to obtain the approval of the Commissioner for certain changes.

Section 8 of this regulation: (1) authorizes the Commissioner to request certain information or documentation that he or she deems necessary to perform an investigation or examination of any applicant for a license or a licensee; and (2) requires an applicant or licensee, as applicable, to provide any such requested information or documentation.

Existing law requires each licensee to pay: (1) an assessment to cover all the costs related to the employment by the Commissioner of a certified public accountant and the performance by the certified public accountant of independent audits and examinations; and (2) an assessment, as determined by the Commissioner, to recover the cost of legal services provided by the Attorney General to the Commissioner and to the Division of Financial Institutions. (NRS 670B.350) **Sections 9 and 10** of this regulation: (1) require the amount of such assessments to be determined in the same manner as the assessments paid by other businesses regulated by the Commissioner; and (2) establish the same procedures to invoice licensees for the assessments and enforce payment of the assessments as are applied to other businesses regulated by the Commissioner. (NAC 604A.090, 649.070, 659.010, 669.070, 670.050, 670A.050, 671.060, 673.030, 675.110, 677.315, 678.155)

Existing law requires a licensee to pay a fee, as determined by the Commissioner, if it becomes necessary to examine or investigate the books and records of the licensee. (NRS 670B.640) **Section 11** of this regulation establishes: (1) the amount of the fee in the same amount that applies to other businesses regulated by the Commissioner; and (2) the same procedures to invoice licensees for the fee and enforce payment of the fee as are applied to other businesses regulated by the Commissioner. (NAC 604A.090, 649.060, 658.010, 669.010, 669A.200, 671.010, 673.020, 675.080, 676A.260, 677.310, 678.150)

Section 12 of this regulation requires a licensee to obtain authorization from a student loan borrower to receive notices and other information by electronic means before the licensee sends any notices or other information to the borrower through electronic means. **Section 13** of this regulation requires a licensee to develop and implement certain policies and procedures relating to student loan borrowers. **Section 14** of this regulation requires a licensee to provide to a student loan borrower: (1) monthly statements that clearly identify certain information; and (2) an annual statement of interest paid for tax reporting purposes.

Section 15 of this regulation requires a licensee to apply a payment from a student loan borrower to the outstanding loan balance of the borrower on the date the licensee receives the payment and in a manner that is most beneficial to the borrower. **Section 16** of this regulation requires a licensee who

services more than one student education loan for a student loan borrower to: (1) provide not less than annual notification to the borrower of the manner in which partial payments will be allocated across multiple loans; (2) provide the borrower with the opportunity to request the allocation of partial payments in a different manner; and (3) adhere to any alternative payment allocation requested by the borrower. **Section 17** of this regulation requires a licensee to provide a student loan borrower with a payoff statement that contains certain information not later than 5 business days after receiving a request for the payoff statement and prohibits a licensee from charging a fee for providing such a payoff statement.

Section 18 of this regulation requires a licensee to retain certain records for a period of at least 2 years after a student education loan is paid in full, assigned to collection or transferred to another student loan servicer.

Section 19 of this regulation authorizes, in general, a licensee to charge and collect fees from a student loan borrower if such fees are authorized by the loan agreement between the licensee and the borrower.

Section 20 of this regulation requires a licensee to: (1) provide timely and accurate information to a nationally recognized consumer credit bureau; (2) reasonably and timely investigate any complaint received from a student loan borrower concerning inaccurate information that was reported to a credit bureau; and (3) promptly correct any negative information that was reported to a credit bureau and is found to be inaccurate.

Existing law requires each licensee to register and maintain a valid unique identifier with the Nationwide Multistate Licensing System and Registry. (NRS 670B.300) **Section 21** of this regulation requires a licensee to post the unique identifier assigned to the licensee on the home page of its Internet website or on a page that is clearly and conspicuously connected to the home page of its Internet website by a link that clearly reveals its contents. **Section 22** of this regulation also requires a licensee to post on the home page of its Internet website or on such other page a notice of right for a student loan borrower to contact the Office of the Commissioner regarding concerns or complaints.

Existing law authorizes the Commissioner to gather and compile certain information for the purpose of monitoring the market for the provision of student loan servicing and student education loans for risks to consumers. (NRS 670B.620) **Section 23** of this regulation requires licensees, for the purposes of the Commissioner compiling such information, to submit certain specific information to the Commissioner on an annual basis. **Section 23** also authorizes the Commissioner to request additional information at any other time the Commissioner deems necessary.

Existing law establishes requirements relating to the renewal of a license as a student loan servicer and provides that any renewal application that is not filed on or before November 1 of the year in which the license expires is not timely filed and must be accompanied by a late fee of \$100. (NRS 670B.250) **Section 24** of this regulation authorizes the Commissioner to waive the late fee if a licensee submits a renewal application through the Registry after November 1 but on or before December 31 of the year in which the license expires.

Existing law authorizes the Commissioner to revoke, suspend or refuse to renew the license of a student loan servicer if the licensee violates any provision of law or regulations relating to the business of student loan servicing. (NRS 670B.690) **Section 25** of this regulation specifies that such a violation includes the licensee: (1) not allowing the Commissioner to conduct an investigation or examination of any books, accounts, records, files, documents, information or evidence, as authorized by law; and (2) failing to pay any required fee or assessment.

Existing law requires the Commissioner to determine the particular license that a private education lender is required to obtain. (NRS 670B.450) **Section 34** of this regulation requires a private

education lender to obtain a license to engage in the business of lending in this State before securing, making or extending student education loans in this State or to student education loan borrowers in this State. **Section 34** establishes a procedure for a private education lender whose activities in this State are limited to purchasing and holding the full ownership rights in student education loans to obtain an exemption from the requirement to obtain such a license.

Section 33 of this regulation requires a private education lender to comply with the provisions of law and regulations relating to lending and the business of student loan servicing. **Section 35** of this regulation requires a licensed private education lender to post on the home page of its Internet website or on a page that is clearly and conspicuously connected to the home page of its Internet website by a link that clearly reveals its contents, a notice of right for a student loan borrower to contact the Office of the Commissioner regarding concerns or complaints. **Section 36** of this regulation requires a private education lender to retain certain records for at least 6 years following the termination of a student education loan account. **Section 37** of this regulation authorizes the Commissioner to request certain information or documentation that he or she deems necessary to perform an investigation or examination of a licensed private education lender or an applicant for a license as a private education lender.

Sections 27-32 of this regulation apply the definitions in existing law governing student loan servicers and private education lenders to the provisions of this regulation governing private education lenders. **Section 38** of this regulation removes language to reflect the addition of definitions by **sections 27-32**.

Section 1. Chapter 670B 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 this chapter, unless the context otherwise requires, “place of business” means the physical location at which:*

- 1. The officers and senior management of a student loan servicer direct the business of student loan servicing and oversee the day-to-day operation of that business; and*
- 2. All books and records of the student loan servicer are maintained.*

Sec. 3. *A person shall not act as a student loan servicer in this State unless, in addition to satisfying all other applicable requirements set forth in law or regulation, the following requirements are met:*

- 1. Unless otherwise exempt pursuant to subsection 2 of NRS 670B.200 or any other provision of law, the person holds a license issued by the Commissioner pursuant to chapter 670B of NRS and any other required license or permit issued by a local governmental entity; and*
- 2. The place of business of the student loan servicer is:*
 - (a) Located in the United States;*
 - (b) Located in an area zoned for commercial use; and*
 - (c) Not a residence.*

Sec. 4. 1. *To be eligible for a license to act as a student loan servicer in this State, an applicant for such a license whose place of business is located outside this State must agree, unless the provisions of subsection 2 apply, to:*

- (a) Make available to the Commissioner, at a location within this State, the books, accounts, papers, records and files of the student loan servicer; or*
- (b) Pay the reasonable expenses for the travel, meals and lodging of the Commissioner that are incurred during any investigation or examination made at an office or principal place of business that is located outside this State.*

2. In the discretion of the Commissioner, any books, accounts, papers, records and files of a place of business that is located outside this State may be electronically submitted to the Office of the Commissioner.

Sec. 5. 1. In accordance with subsection 5 of NRS 670B.210, an applicant for a license to act as a student loan servicer in this State shall file with the Commissioner, concurrently with the application, a surety bond in the amount determined pursuant to subsection 3, which is payable to the Division. Thereafter, each licensee shall maintain the surety bond so that the surety bond is in the amount determined pursuant to subsection 3.

2. The surety bond required by subsection 1 must be in the form prescribed by the Commissioner and made and executed by the principal and a surety company authorized to do business in this State. The bond must be conditioned:

(a) That the principal, who must be the applicant, must, upon demand in writing, pay any lender from whom any loan for collection is received the proceeds of the collection, in accordance with the terms of the agreement made between the principal and the lender; and

(b) That the principal must comply with all applicable requirements of this section and any other provision of law or regulation with respect to the duties, obligations and liabilities of a licensee.

3. The amount of the surety bond required by subsection 1 must be determined based on the dollar amount of servicing activities conducted by the applicant or licensee, as applicable, in this State in the immediately preceding calendar year, as follows:

<i>Dollar Amount of Loans Serviced</i>	<i>Bond Amount</i>
<i>\$0.00-50,000,000.00</i>	<i>\$50,000.00</i>
<i>\$50,000,000.01-100,000,000.00</i>	<i>\$75,000.00</i>
<i>\$100,000,000.01-250,000,000.00</i>	<i>\$100,000.00</i>
<i>\$250,000,000.01 or more</i>	<i>\$250,000.00</i>

Sec. 6. For the purposes of subsection 1 of NRS 670B.240, a person seeking to act as a student loan servicer who is exempt from the application procedures described in subsections 1 and 2 of NRS 670B.210 and NRS 670B.290 must document eligibility for the exemption by submitting to the Commissioner an executed copy of the contract awarded to the person by the United States Secretary of Education pursuant to 20 U.S.C. § 1087f.

Sec. 7. An applicant for a license to act as a student loan servicer in this State or a person licensed as a student loan servicer in this State shall, in accordance with NRS 670B.320, notify the Commissioner of, and obtain the approval of the Commissioner for, any change:

1. In the information provided in the initial application for a license or the most recent application for renewal of such a license, as applicable;

2. To the legal or fictitious name of the applicant or licensee, as applicable;

3. To the proposed licensed place of business of the applicant or to the licensed place of business of the licensee; or

4. In a control person of the applicant or licensee.

Sec. 8. Pursuant to NRS 670B.640, the Commissioner may request any information or documentation that the Commissioner deems necessary to perform an investigation or examination of an applicant for a license or a licensee. Upon such a request, the applicant or licensee shall provide or make available

to the Commissioner such requested information or documentation unless the disclosure of such information or documentation is prohibited by any provision of state or federal law.

Sec. 9. 1. *In accordance with subsection 1 of NRS 670B.350 and except as otherwise provided in NAC 658.030, each licensee shall pay to the Division of Financial Institutions an annual assessment of not more than \$300 to cover the costs related to the employment of a certified public accountant and the performance by the certified public accountant of independent audits and examinations.*

2. The Division of Financial Institutions shall send an invoice to each licensee for the assessment described in subsection 1. The assessment must be paid not later than 30 days after the date on which the invoice is received. Except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the assessment plus an additional 1 percent of the assessment for each month, or portion of a month, that the assessment is not paid. The Commissioner may waive the penalty for good cause.

3. In accordance with NRS 670B.690, the failure of a licensee to pay the assessment required in subsection 1, as provided in this section, constitutes grounds for revocation of its license.

Sec. 10. 1. *In accordance with subsection 2 of NRS 670B.350, each licensee shall pay to the Division of Financial Institutions the assessment determined by the Commissioner pursuant to NRS 658.098 to recover the cost of legal services provided by the Attorney General to the Commissioner and to the Division.*

2. The Division of Financial Institutions shall send an invoice to each licensee for the assessment described in subsection 1. The assessment must be paid not later than 30 days after the date on which the invoice is received. Any payment received after that date must include a penalty of 10 percent of the assessment.

3. In accordance with NRS 670B.690, the failure of a licensee to pay the assessment required by subsection 1, as provided in this section, constitutes grounds for revocation of its license.

Sec. 11. 1. *The Commissioner will charge and collect a fee of \$75 per hour from each licensee for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 670B of NRS.*

2. The Commissioner will send an invoice to each licensee upon the completion of the activity for the fee established in subsection 1. The fee must be paid not later than 30 days after the date on which the invoice is received. Except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the fee plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. In accordance with NRS 670B.690, the failure of a licensee to pay the fee required by subsection 1, as provided in this section, constitutes grounds for revocation of its license.

Sec. 12. *A licensee may send a notice or other communication to a student loan borrower through electronic means only if, during the process of originating the student education loan or at any other time after the origination of the student education, the student loan borrower has authorized the receipt of electronic communications on a form that clearly states that the student loan borrower has consented to receiving through electronic means all notices and other communications from the student loan servicer. A licensee shall retain the form providing such authorization in accordance with section 18 of this regulation.*

Sec. 13. *In addition to any policies and procedures required to be developed and implemented pursuant to chapter 670B of NRS, a licensee shall develop and implement policies and procedures to:*

- 1. Identify student loan borrowers who are at risk of default;*
- 2. Notify student loan borrowers of the possibility of default;*
- 3. Make reasonable efforts to assist student loan borrowers in avoiding default; and*
- 4. Ensure the licensee has the most accurate and updated personal information of student loan borrowers.*

Sec. 14. 1. *A licensee shall provide a monthly statement to each student loan borrower whose student education loans are being serviced by the licensee. The statement must clearly identify:*

- (a) The student loan servicer and the current holder of the student education loan;*
- (b) The date of the origination of the student education loan;*
- (c) The outstanding balance of the student education loan;*
- (d) The monthly payment amount;*
- (e) The current term of the student education loan;*
- (f) The interest rate on the student education loan;*
- (g) Any interest and fees that were charged since the last monthly statement; and*
- (h) Any payments received since the last monthly statement.*

2. For tax reporting purposes, a licensee shall also provide to each student loan borrower whose student education loans are being serviced by the licensee timely and accurate annual statements identifying loan interest paid during the immediately preceding calendar year.

Sec. 15. *A licensee shall apply a payment from a student loan borrower to the outstanding balance of the student education loan of the student loan borrower upon the date on which the licensee receives the payment in accordance with the loan agreement and in a manner that is most beneficial to the student loan borrower.*

Sec. 16. *A licensee who services more than one student education loan for a student loan borrower shall:*

- 1. Notify the borrower, at least annually, of the manner in which the licensee intends to allocate partial payments across multiple loans in accordance with paragraph (c) of subsection 1 of NRS 670B.380;*
- 2. Provide an opportunity for the borrower to request the allocation of partial payments in a manner other than that which the licensee intends to use; and*
- 3. Adhere to any alternative payment allocation requested by the borrower pursuant to subsection 2.*

Sec. 17. 1. *Not later than 5 business days after receiving a request from a student loan borrower for a payoff statement, a licensee shall provide the student loan borrower with a complete and accurate payoff statement that clearly indicates:*

- (a) The date on which the statement was prepared;*
- (b) The total payoff amount of the student education loan;*
- (c) The date until which the total payoff amount remains effective; and*
- (d) Any circumstances that could change the total payoff amount.*

2. If, in accordance with section 12 of this regulation, a student loan borrower has consented to receive electronic communications from a licensee, the licensee may provide a payoff statement to the borrower by electronic means. 3. A licensee shall not charge a fee for providing a payoff statement to a student loan borrower pursuant to this section.

Sec. 18. *A student loan servicer shall retain the following records for a period of not less than 2 years after the date on which the student education loan is paid in full, assigned for collection or transferred to another student loan servicer, whichever is applicable:*

- 1. Any correspondence or communication involving the student loan borrower, including, without limitation, any mail or electronic mail correspondence, records of telephone calls, call notes and communication logs.*
- 2. Any acknowledgment and information provided in accordance with NRS 670B.380.*
- 3. The payment history on the student education loan account, including, without limitation, the date of each payment received, all interest and fees charged and the allocation of payments to the amount of the principal, interest and fees.*
- 4. Any requests from a student loan borrower for an alternative payment allocation in accordance with section 16 of this regulation.*

5. *The complete account history of the student education loan account, including, without limitation, information relating to any accounts transferred to or from another student loan servicer and the dates of such transfers.*

6. *Any documentation used in determining the eligibility of a student loan borrower for an income-driven repayment program, including, without limitation, the dates of any evaluations for such eligibility and the reasoning behind any decision to place the student loan borrower in an income-driven repayment program or in forbearance or default.*

7. *The loan agreement between the student loan borrower and the lender of the student education loan and supporting documentation evidencing the obligations of the borrower to the lender.*

8. *Each contract entered into by the student loan servicer governing the servicing of a student education loan.*

9. *Any other document, disclosure, notice or release required to be provided or obtained by the student loan servicer pursuant to chapter 670B of NRS.*

Sec. 19. *Except as otherwise prohibited by law or regulation, a licensee may charge and collect fees from a student loan borrower if such fees are authorized by the loan agreement between the licensee and the borrower.*

Sec. 20. *A licensee shall:*

1. *Provide timely and accurate information to a nationally recognized consumer credit bureau;*

2. *Reasonably investigate any complaint received from a student loan borrower concerning inaccurate information that was reported to a credit bureau within 30 calendar days of receipt of any such complaint; and*

3. *Promptly correct any negative information previously reported to a credit bureau that is found to be inaccurate after a subsequent investigation by the licensee.*

Sec. 21. *A licensee shall post the unique identifier assigned to the licensee pursuant to subsection 1 of NRS 670B.300 on:*

1. *The home page of the Internet website of the licensee; or*

2. *A page that is clearly and conspicuously connected to the home page of the Internet website of the licensee by a link that clearly reveals its contents.*

Sec. 22. *A licensee shall post a notice of the right of a student loan borrower to contact the Office of the Commissioner regarding concerns or complaints on the home page of the Internet website of the licensee or on a page that is clearly and conspicuously connected to the home page of the Internet website of the licensee by a link that clearly reveals its contents. The notice must be in substantially the following form:*

NOTICE OF RIGHT TO FILE A WRITTEN COMPLAINT WITH THE COMMISSIONER OF FINANCIAL INSTITUTIONS

You may file a written complaint with the Commissioner of Financial Institutions by submitting a signed complaint form to the Office of the Commissioner. The required complaint form can be found on the home page of the Internet website of the Division of Financial Institutions of the Department of Business and Industry at <https://fid.nv.gov>, or you may request a complaint form via telephone by calling the toll-free telephone number (866) 858-8951.

Sec. 23. 1. *A licensee shall submit with the annual report required to be filed on or before April 15 of each year pursuant to subsection 4 of NRS 670B.250, on a form prescribed by the Commissioner, the following information for the immediately preceding calendar year:*

(a) *A listing of the following information in aggregate from all student education loan accounts serviced by the licensee, along with the total number of accounts used to calculate the information:*

(1) *The average annual percentage rate.*

(2) *The average amount financed.*

- (3) The average finance charges.*
 - (4) The average dollar amount of scheduled payments.*
 - (5) The number of accounts with a cosigner.*
 - (6) The average dollar amount of payments made, with a separate identification of the average dollar amount of full payments and the average dollar amount of partial payments.*
 - (7) The average outstanding account balance.*
 - (8) The total number of delinquent accounts and the percentage of student loan borrowers in delinquent status.*
 - (9) The average dollar amount of late fees charged to the accounts of student loan borrowers and the percentage of student loan borrowers being charged such late fees.*
 - (10) A statement of any miscellaneous fees charged to the accounts of student loan borrowers, the average dollar amount of such miscellaneous fees charged to the accounts of student loan borrowers and the percentage of student loan borrowers being charged such miscellaneous fees.*
 - (11) The total number of accounts for which student loan borrowers are repaying private education loans.*
 - (12) The total number of accounts for which student loan borrowers are repaying federal education loans.*
 - (b) The total number of student education loan accounts:*
 - (1) That were being serviced on January 1 of the calendar year, and the total amount of such loans. (2) That were being serviced on December 31 of the calendar year, and the total amount of such loans.*
 - (3) That were paid in full, and the total amount of such loans.*
 - (4) That are being paid pursuant to an income-driven repayment plan, and the total amount of such loans.*
 - (5) For which a loan modification was approved, and the total amount of such loans.*
 - (6) That are being paid pursuant to a flexible repayment plan, and the total amount of such loans.*
 - (7) That were placed in forbearance, and the total amount of such loans.*
 - (8) That were placed in default, and the total amount of such loans.*
 - (9) That were placed in forgiveness, and the total amount of each such loan.*
 - (10) That were cancelled or discharged, and the total amount of each such loan.*
 - (11) That were assigned to a collection agency and the name of the collection agency.*
 - (12) For which a court action was initiated, and the status of such accounts.*
 - (13) For which an unfavorable payment history of a student loan borrower was reported to a nationally recognized consumer credit bureau.*
 - (c) A list of each lender and each holder of a student education loan serviced by the licensee.*
- 2. At any other time the Commissioner deems necessary, the Commissioner may request additional information pursuant to the provisions of this chapter or NRS 670B.620.*
- 3. The filing of an annual report pursuant to subsection 4 of NRS 670B.250 and the submission of the information required by subsection 1 does not preclude the Commissioner from requesting identical or similar information in the course of an examination or investigation of a licensee.*
- Sec. 24.** *The Commissioner may waive the late fee required by subsection 2 of NRS 670B.250 if a licensee submits an application for renewal of a license through the Nationwide Multistate Licensing System and Registry after November 1 but not later than December 31 of the year in which the license expires.*
- Sec. 25.** *In accordance with NRS 670B.690, the Commissioner may revoke or suspend the license of a student loan servicer if the licensee violates any provision of this chapter or chapter 670B of NRS, including, without limitation, if the licensee:*
- 1. Does not allow the Commissioner to conduct an investigation or examination of any books, accounts, records, files, documents, information or evidence, as authorized pursuant to NRS 670B.640; or*
 - 2. Fails to pay any required fee or assessment.*

Sec. 26. Chapter 675 of NAC is hereby amended by adding thereto the provisions set forth as sections 27 to 37, inclusive, of this regulation.

Sec. 27. *As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 675.005 and sections 28 to 32, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 28. *“Private education lender” has the meaning ascribed to it in NRS 670B.070.*

Sec. 29. *“Private education loan” has the meaning ascribed to it in NRS 670B.080.*

Sec. 30. *“Private education loan borrower” has the meaning ascribed to it in NRS 670B.090.*

Sec. 31. *“Student loan servicer” has the meaning ascribed to it in NRS 670B.120.*

Sec. 32. *“Student loan servicing” or “servicing” has the meaning ascribed to it in NRS 670B.130*

Sec. 33. *Except as otherwise provided in section 34 of this regulation, a private education lender operating in this State must comply with the applicable provisions of this chapter, chapters 670B and 675 of NRS and chapter 670B of NAC.*

Sec. 34. 1. *Except as otherwise provided in subsection 2, a private education lender shall not secure, make or extend a private education loan to a private education loan borrower in this State unless the private education lender has obtained a license from the Commissioner pursuant this chapter and chapter 675 of NRS.*

2. *A private education lender is exempt from the requirement set forth in subsection 1 if the private education lender:*

(a) Does not originate or fund any private education loan in this State;

(b) Limits its activities in this State relating to private education loans to purchasing and holding full ownership rights in private education loans;

(c) Contracts with a student loan servicer licensed in this State to perform the servicing of private education loans held by the private education lender; and

(d) Obtains approval of the exemption from the Commissioner pursuant to subsection 3.

3. *A private education lender claiming an exemption pursuant to subsection 2 must:*

(a) Submit to the Commissioner a written request for the exemption; and

(b) Provide to the Commissioner any information and documentation that the Commissioner deems necessary to determine whether the private education lender qualifies for the exemption.

4. *The Commissioner may require a private education lender who is exempt from the requirement set forth in subsection 1 to comply with any reporting requirement set forth in chapter 670B of NRS or chapter 670B of NAC, as deemed appropriate by the Commissioner.*

Sec. 35. *A private education lender shall post a notice of the right of a private education loan borrower to contact the Office of the Commissioner regarding concerns or complaints on the home page of the Internet website of the licensee or on a page that is clearly and conspicuously connected to the home page of the Internet website of the licensee by a link that clearly reveals its contents. The notice must be in substantially the following form:*

**NOTICE OF RIGHT TO FILE A WRITTEN COMPLAINT WITH THE
COMMISSIONER OF FINANCIAL INSTITUTIONS**

You may file a written complaint with the Commissioner of Financial Institutions by submitting a signed complaint form to the Office of the Commissioner. The required complaint form can be found on the home page of the Internet website of the Division of Financial Institutions of the Department of Business and Industry at <https://fid.nv.gov>, or you may request a complaint form via telephone by calling the toll-free telephone number (866) 858-8951.

Sec. 36. *A private education lender shall retain the following records for a period of not less than 6 years after the termination of a private education loan account:*

1. Any correspondence or communication related to the private education loan, including, without limitation, any email, notes or transcript of a telephone call, or mail.
2. Any documentation, disclosure, notice or written release required by this chapter, chapter 670B of NRS or chapter 670B of NAC.
3. The complete private education loan file including, without limitation:
 - (a) The loan agreement between the private education loan borrower and the private education lender and any supporting documentation evidencing the borrower's obligation to the lender;
 - (b) The servicing contract between the private education lender and the student loan servicer;
 - (c) Documentation of the monthly income of the private education loan borrower at the time of the origination of the private education loan, any modification of the private education loan and the beginning of any repayment plan or forbearance, as applicable; and
 - (d) The payment history on the private education loan account, including, without limitation, the date of each payment received, all interest and fees charged and the allocation of payments to the amount of the principal, interest and fees.

Sec. 37. *The Commissioner may request any information or documentation that the Commissioner deems necessary to perform an investigation or examination of an applicant for a license or a licensee. Upon such a request, the applicant or licensee, as applicable, shall provide or make available to the Commissioner such requested information or documentation, unless the disclosure of such information or documentation is prohibited by any provision of state or federal law.*

Sec. 38. NAC 675.005 is hereby amended to read as follows: 675.005 ~~{As used in this chapter, unless the context otherwise requires, "licensee"}~~ **"Licensee"** means a person to whom one or more licenses have been issued pursuant to this chapter and chapter 675 of NRS.

**SMALL BUSINESS IMPACT STATEMENT FOR PROPOSED REGULATIONS BY
THE FINANCIAL INSTITUTIONS DIVISION (Division)
TO ASSEMBLY BILL (AB) 332
STUDENT LOAN SERVICERS
September 13, 2023**

1. Small Business Impact Statement pursuant to NRS 233B.0609:

(a) A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

(I) Solicitation of affected small businesses.

The Division sought comments in accordance with NRS 233B.0608 for the purpose of considering whether as a result of the proposed regulations, there may be a direct and significant economic burden upon small business (defined as fewer than 150 employees) or if the regulations will directly restrict the formation, operation or expansion of a small business seeking to engage in or who desire to engage in the business of a student loan servicer and/or making private student loans, to ensure that there is established in this state an adequate, efficient and competitive service available to the general public.

The Division composed the solicitation list from current licensees under Nevada Revised Statutes chapter 649 and chapter 675 and all known interested parties. In turn, the Division solicited comments on the proposed regulations for Assembly Bill 332 (A.B.332) from the above lists by emailing a notice and questionnaire. Additionally, a copy of the full text of the proposed regulations was emailed and posted to the Division's website. The solicited comments were used to formulate this Small Business Impact Statement.

(II) Summary of responses.

See attached spreadsheet.

(III) Obtain a copy of the summary.

This Small Business Impact Statement was posted on the NFID website dated November 13, 2023, along with a Notice of Workshop for November 29, 2023. Interested persons may also obtain a copy of the Small Business Impact Statement by contacting the:

**Office of the Commissioner
Financial Institutions Division
3300 W. Sahara Avenue, Suite 250
Las Vegas, NV 89102
Email: FIDMaster@fid.state.nv.us
Telephone: (702) 486-4120
Website: <http://fid.nv.gov>**

(b) The manner in which the analysis was conducted.

Pursuant to NRS 233B.0608(1), the Division made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business; or directly restrict the formation, operation or expansion of a small business. For this effort, the Division sent a copy of the draft regulations and a Small Business Impact Questionnaire to all known interested parties for review and invited written comment regarding the impact to the entities, NFID took all comments submitted into consideration.

Following review and analysis of the authorizing statutory language A.B.332 and written comment from the industry, the Division has determined that the proposed regulation is unlikely to impose a direct and significant economic burden upon a small business; result in any direct or indirect adverse effects on small business; or directly restrict the formation, operation, or expansion of a small business.

(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate including, without limitation:

(1) Both Adverse and Beneficial effects:

(I) ADVERSE EFFECTS:

The Division received one comment regarding the requirement to maintain bank and accounting records of accounts collected and remitted on, sending annual notices to borrowers with more than one loan being serviced, and sending monthly statements to borrowers would increase operating costs and complexity and that it would require more engineering resources to develop systems to comply.

These provisions are necessary for borrowers and licensees should maintain up-to-date and accurate records. This should not cause any additional requirements since this should be part of a servicer's normal course of business.

(II) BENEFICIAL EFFECTS:

The Division received zero comments regarding any beneficial effects the proposed regulations would have on small business.

(2) Both Direct and Indirect effects:

(I) DIRECT EFFECTS:

The Division received one comment regarding the requirement to maintain bank and accounting records of accounts collected and remitted on, sending annual notices to borrowers with more than one loan being serviced, and sending monthly statements to borrowers would increase operating costs and complexity and that it would require more engineering resources to develop systems to comply.

These provisions are necessary for borrowers and licensees should maintain up-to-date and accurate records. This should not cause any additional requirements since this should be part of a servicer's normal course of business.

(II) INDIRECT EFFECTS:

The Division received one comment regarding the requirement to maintain bank and accounting records of accounts collected and remitted on, sending annual notices to borrowers with more than one loan being serviced, and sending monthly statements to borrowers would increase operating costs and complexity and that it would require more engineering resources to develop systems to comply.

These provisions are necessary for borrowers and licensees should maintain up-to-date and accurate records. This should not cause any additional requirements since this should be part of a servicer's normal course of business.

The same commenter stated posting the contact information for borrowers to contact the Division would make their website look even more busy/crowded. Its important for Nevada borrowers to know how to contact the Division to file consumer complaints or ask the Division questions.

(d) A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Division sent out 751 small business questionnaires to all known interested parties. It received a total of twelve (12) responses to the solicitation. One (1) small business provided comment, one (1) responded with N/A or no impact, and ten (10) responded with no comment because they were over the small business threshold of 150 employees. The Division has considered and analyzed all submitted comments and addressed those comment in the attached summary of response spreadsheet.

(e) The estimated cost to the agency for enforcement of the proposed regulation.

The estimated cost to the Division for enforcement of the proposed regulation should be covered by the proposed fees to be collected by the Division. The Division does not foresee the need for any additional funding or budget increase.

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

The 1st Year → \$75,600 (Based on the application fee of \$800.00 and initial licensing fee of \$1,000 for 42 entities).

The 2nd Year → \$199,500 (Based on yearly renewal fee of \$1,000 and hourly examination Fee of \$75 with the average examination projected to take approximately 50 hours to complete). It is also expected that the following yearly examinations will not take 50 hours to complete thus lowering this cost in future years.

There is also an annual Certified Public Account (CPA) assessment and Attorney General (AG) assessment. The CPA assessment covers the expenses to employ the CPA and no more than the projected expenses are assessed to the licensees. The AG assessment covers the amount the Division is assessed by the AGs Office and no more than the assessed amount. The total projected expense for each the CPA and AG is divided among all licensees the Division regulates, not just this industry, keeping the total assessment per licensee at a minimal.

The fees collected will be used by the Division to regulate the industry at the most economical method possible with the Division's established objective to maintain fees at a level to cover agency costs to implement/operate/enforce and not to over burden small business with high and unnecessary fees.

(g) If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

To the Division's knowledge, the proposed regulations do not duplicate any existing federal, state, or local standards regulating the same activity.

(h) The reasons for the conclusions of the agency regarding the impact of the regulation on small businesses.

This is a result of the passage of new legislation, A.B. 332. The Division can only lessen the impact on small business by proposing regulation that provides clarification to the industry. The regulation itself does not impose an economy burden to small business.

To the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this Small Business Impact Statement was prepared properly and accurate.



Sandy O'Laughlin
Commissioner
Financial Institutions Division
State of Nevada, Department of Business and Industry

AB332- Student Loan Servicers- Direct or

**Indirect Impact Item from Small
Businesses**

**Number/
and %**

**Direct or
Indirect**

**Adverse or
Beneficial**

NFID Answer/Mitigation

Sections 16, 22 and 23 will increase operating costs and complexity and require more engineering resources to develop systems to comply with the new requirements.

1 (100.00%)

Direct

Adverse

Section 16 is bank records and accounting records of accounts collected and remitted, which is important for servicers to maintain.

Section 22 is annual notices to borrowers with more than one loan being serviced.

Section 23 provides the requires on a monthly statement.

These provisions are necessary for the borrowers, and to keep accurate records of payments, of which servicers should already be doing. This should not cause any additional requirements; it just details what is required in Nevada.

Sections 22 and 23 will create a lot more operational burden and increase our risk of non-compliance. Section 25 will make our website look even more busy/crowded.

1 (100.00%)

Indirect

Adverse

Section 22 is annual notices to borrowers with more than one loan being serviced.

Section 23 provides the requires on a monthly statement.

These provisions are necessary for the borrowers, and to keep accurate records of payments, of which servicers should already be doing. This should not cause any additional requirements, it just details what is required in Nevada.

				Section 25, it's important for Nevada borrowers to know how to contact the Division.

SBI Response Summary:

Total Known Interested Parties Solicited:
751

Total Responded with Comments: 1

Total Responded with N/A: 1

Total Responded with over 150 Employees (outside the small business threshold): 10

Total Comments Impacting the SBI % (Total Known Interested Parties Solicited - N/A - over 150 Employees=): 740

% Responded/Total Solicited (12/751):
1.60%

% Responded with Comments/Total Comments Impacting SBI (1/740): 0.14%