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Agency: The Department
of Business and Industry,
Financial Institutions
Division

FOR EMERGENCY
REGULATIONS ONLY

Effective date

Governor's Signature

Classification:

PROPOSED

ADOPTED BY AGENCY

EMERGENCY

Brief Description of Action: The adopted regulation, NAC 604A, LCB FILE NO. R037-20 dated November 13, 2020 (Senate Bill 201- Revises provisions governing loans) is needed to establish provisions relating to the development, implementation and maintaining database storing certain information relating to deferred deposit loans, title loans and high-interest loans made to customers in this State, and providing other matters properly relating thereto.

Authority citation other than 233B: Senate Bill No. 201, Chapter 177, Statutes of Nevada 2019, Section 8 at Page 942 and 943.

Notice date: November 9, 2020

Date of Adoption by Agency: December 9, 2020

Hearing date: December 9, 2020



Mary Young, Deputy Commissioner

**APPROVED REGULATION OF THE
COMMISSIONER OF FINANCIAL INSTITUTIONS**

LCB File No. R037-20

Filed December 29, 2020

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

AUTHORITY: §§1-25, NRS 604A.303.

A REGULATION relating to financial services; establishing the duties of a service provider who develops, implements and maintains a database of certain loans pursuant to a contract with the Commissioner of Financial Institutions; providing for access to the database; establishing certain duties of a licensee regarding the use of the database and the making of certain loans; authorizing the charging and collection of certain fees from licensees and customers under certain circumstances; requiring a licensee to enter certain information into the database; requiring a licensee to retain certain information and documentation relating to certain loans; providing for access to the database by the Office of the Commissioner of Financial Institutions for certain purposes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Commissioner of Financial Institutions to develop, implement and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans, title loans and high-interest loans in this State. (NRS 604A.303)

Section 9 of this regulation sets forth certain duties of a service provider regarding: (1) the development, implementation and maintenance of the database; and (2) the protection of the confidentiality and security of the information contained in the database.

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

Section 11 of this regulation restricts the persons who may have access to the database and sets forth certain requirements for passwords to access the database.

Section 12 of this regulation requires a licensee to query the database with certain information which verifies the identity of a customer before making a deferred deposit loan, title loan or high-interest loan to that customer.

Section 13 of this regulation: (1) sets forth the information that must be provided by the database in response to a query by a licensee; (2) requires a licensee to consider that information and any other available information in determining the ability of a customer to repay a loan; and (3) requires a licensee to provide certain information to a customer if the customer is determined to be ineligible for a loan.

Section 14 of this regulation: (1) authorizes a licensee, during any period in which the database is unavailable due to technical issues on the service provider's side of the system, to rely upon certain written representations by a customer regarding the eligibility of the customer for a loan; and (2) requires the licensee to perform certain actions if the licensee makes a loan to a customer during a period when the database is unavailable.

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

Section 16 of this regulation: (1) sets certain restrictions on the fee which a licensee may charge or collect from a customer; and (2) requires the fee to be itemized in the loan agreement.

Sections 17-21 of this regulation require a licensee to enter certain information regarding deferred deposit, high-interest and title loans into the database.

Section 22 of this regulation requires a licensee to retain for not less than 3 years certain information and documentation relating to certain loans.

Section 23 of this regulation prohibits a licensee from deleting from the database any information relating to a customer, unless the deletion is in accordance with **section 10**, which requires the deletion of certain data 3 years after a loan is closed.

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

Section 25 of this regulation provides that a customer has the right to request from a licensee, without charge, fee or cost, certain information relating to his or her loan and the repayment of a loan.

Section 1. Chapter 604A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 2525, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 25, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined 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.*

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.

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 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 be charged only at the time of the origination of a loan and cannot 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.

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. 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.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED
BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066**

Informational Statement

LCB FILE NO. R037-20

(NRS 604A Deferred Deposit, High-Interest, and Title Loans Database)

The following statement is submitted for adoption of regulations pertaining to Nevada Administrative Code ("NAC") Chapter 604A, Deferred Deposit Loans, High-Interest Loans, Title Loan and Check-Cashing Services.

1. A clear and concise explanation of the need for the adopted regulation.

The regulation is required as a result of the passage of Senate Bill ("SB") 201 during the 80th Session of the Nevada Legislature. Existing law requires the Division to develop, implement and maintain, by contract with a service provider a database of all deferred deposit loans, title loans and high-interest loans in this State. This regulation sets forth the criteria, duties and requirements of the database and service provider, as well as requirements for licensees and the Division.

This regulation is needed to establish the specifications of the database for the Division to administer, carry out and enforce the provisions of S.B.201. It will provide consumer protection for Nevada borrowers and a centralized database to assist licensees in making loans to a borrower, as they can see how many outstanding loans a borrower may have with other NRS 604A lenders.

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

Copies of the proposed regulation, notice of workshop, small business impact statement, and notice of intent to act upon the regulation were emailed to the division licensees, division's rulemaking contact list, persons who were known to have an interest in the regulation as well as any persons who had specifically requested such notice. These documents were also made available on the Financial Institutions Division's website at <http://fid.nv.gov/> and the Nevada Public Notice website at <https://notice.nv.gov/>; posted at the Division's Las Vegas and Reno office; and provided to the Nevada State Library for posting and to all county libraries. The proposed regulation and notice of intent to act upon the regulation were additionally provided to the Nevada State Library and all county libraries in Nevada for posting. The workshop notice and notice of intent to act upon the regulation was further submitted for posting on the Nevada Legislature's website.

On February 7, 2020, via email, the Division notified 120 persons, this include its licensees and persons on the division's rulemaking contact list concerning the proposed regulation, provided a copy of the proposed regulation, and solicited written comments concerning whether it would impose a direct and significant economic burden upon a small business that is subject to NRS 604A, and any regulations adopted pursuant thereto; or directly

restrict the formation operation, or expansion of a small business that is subject to NRS 604A, and any regulation adopted pursuant thereto.

In response to the February 7, 2020 solicitation, the Division's record reflects receipt of twenty-five (25) small business impact surveys. Attached summary of comments received from the small business impact survey are attached hereto as "Exhibit A."

On March 12, 2020, the Division issued and posted a notice of the workshop, and sent via email, to 122 persons, this include its licensees and persons on the rulemaking contact list. The workshop was scheduled for March 31, 2020 in Las Vegas at the Grant Sawyer Building with videoconference to the Legislative Counsel Bureau Hearing Room. However, due to the COVID-19 pandemic all in-person meetings for state offices were canceled and state buildings were closed. After Governor Steve Sisolak issued Emergency Directive 006 to suspend in-person meetings and allow for any public body to hold meetings by teleconference or videoconference, the Division rescheduled the workshop for April 29, 2020 via teleconference. However, there was technical issues with the phone lines and some callers were being dropped or could no longer call-in. The Division had to cancel the workshop.

The Division rescheduled the first workshop via Webex conference for July 8, 2020. On June 22, 2020, the Division issued and posted a notice of the workshop, and sent via email, to 129 persons, this include its licensees and persons on the rulemaking contact list. The workshop was held July 8, 2020. Minutes of the workshop are attached hereto as "Exhibit B." The minutes reflect receipt of both verbal and written comments.

On August 31, 2020, the Division issued and posted a notice of a second workshop, and sent via email to 130 persons, this include its licensees and persons on the rulemaking contact list. The second workshop was held on September 16, 2020 via Webex conference. Minutes of the workshop are attached hereto as "Exhibit C". The minutes reflect receipt of both verbal and written comments.

The Legislative Counsel Bureau (LCB) posted its revised draft of proposed regulation R037-20 on October 26, 2020. On November 9, 2020, the Division issued and posted a notice of intent to act upon regulation based upon LCB draft proposed regulation R037-20, along with a notice of public meeting and solicited further written comments on the proposed regulation. On the same day, the Division sent via email to 143 persons, this include its licensees and persons on the rulemaking contact list. On November 13, 2020, LCB posted revised proposed regulations with three corrected items, which were: first item in section 3, missing the number "4" from 604A, it read NRS 60A.303 should have read NRS 604A.303, second item, was an unnecessary apostrophe at the beginning of section 14 subsection 2 and third item was three sections where "monthly" was added to gross income to read "gross monthly income" in align with NRS Chapter 604A in sections 14, section 18 subsection 2(m) and section 22 subsection(1). The adoption hearing was held on December 9, 2020 via Webex conference. Minutes of the hearing are attached hereto as "Exhibit D". The minutes reflect receipt of both verbal and written comments.

3. The number of persons who:

Attended July 8, 2020 workshop: 35

Testified at the workshop: 17

Attended September 16, 2020 second workshop: 89

Testified at the workshop: 12

Attended December 9, 2020 hearing: 80

Testified at the hearing: 17

Submitted written comments: 27

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified in #3, above, as provided to the agency.

Attended the July 8, 2020 workshop:

Emily Ku	Business and Industry	eku@business.nv.gov
Heidi Welch	USA Cash Services	heidi.welch@usacashservices.com
Peter Aldous	Legal Aid Center of Southern Nevada	paldous@lacs.nv.gov
Julie Townsend	Purpose Financial	jtownsend@teampurpose.com
Jason Queen	Koster Finance	jqueen@kosterfinance.com
Janet Phillips	USA Cash Services	Janet@usacashservices.com
Michael Kerr	CashNet USA	mkerr@enova.com
William Horne	Strategies360	williamh@strategies360.com
Rita Greggio	Washoe Legal Services	rgreggio@washoelegalservices.org
Victoria Newman	TitleMax	victoria.newman@titlemax.com
JoAnn Hope	Moneytree Inc	joann.hope@moneytreeinc.com
Patrick Reilly	Brownstein Hyatt Farber Schreck	preilly@bhfs.com
Chad Miraglia	Chad Miraglia	chadmiraglia@thrivos.com
Taylor Altman	Legal Aid Center of Southern Nevada	taltman@lacs.nv.gov
Rachael Schreiber	TitleMax	Rachael.Schreiber@titlemax.com
Kristyn Leonard	The Nevada Independent	kristyn@thenvindy.com
Josette DiBlasio	TMX Finance LLC	josette.diblasio@titlemax.com
Ethan Wilson	Catalyst	ethan@catalystgrouponline.com
Jeanette Belz	JK Belz & Associates, Inc.	jb@jkbels.com
Charlie Mottier	Axcess Financial Services, Inc.	cmottier@axcess-financial.com
Erika Castro	Progressive Leadership Alliance of Nevada	ecastro@planevada.org
Lauren Catlin	Creditbox.com LLC	lcatlin@americashloans.net
Dennis Bassford	Moneytree, Inc.	dennis.bassford@moneytreeinc.com
David Raine	USA Cash Services	david@usacashservices.com
Lourdes Gonzalez	Leo's Title Loan, LLC	leostitleloan@gmail.com
Melissa Hynson	Speedee Cash Management	mhykson@speedeenet.com
Ross Martin	Check City	rossm@checkcity.com
Ryan Marchesi	Check City	Ryanm@checkcity.com
Robin Collins	Green Valley United Methodist/Nevadans for the common Good	collinsluv4jc@gmail.com
Jennifer Ferrer	Hi-Tex, LLC	jennifer@moneyinminutesnv.info
Linda J. Smith	Dubble Check	dubblecheckloans@gmail.com
Dustin Kramer	Paycheck Advance	dlkramer@investmentserv.com
Yessie Medina	Cash 1 LLC	yessiemedina@thrivos.com
Susan Hammon	Hi-Tex, LLC	susanhammon@protonmail.com
Yessie Medina	Cash 1 LLC	yessiemedina@thrivos.com

Out of the 89 individuals that attended the second workshop on September 16, 2020, only 23 signed-in:

Name	Company or Organization	Email Address
Lea Cartwright	J.K. Belz & Associates	lc@jkbels.com
JoAnn Hope	Moneytree, Inc	joann.hope@moneytreeinc.com
Heidi Welch	USA Cash Services	heidi.welch@usacashservices.com
W. H. "Trip" Ruby	TMX Finance Family of Companies	Trip.Ruby@titlemax.com
Janet Phillips	USA Cash Services	janet@usacashservices.com
Peter Aldous	Legal Aid Center of Southern Nevada	paldous@lacsns.org
Victoria Newman	TitleMax of Nevada, Inc.	victoria.newman@titlemax.com
Julie Townsend	Purpose Financial, Inc.	jtownsend@teampurpose.com
Michael Kerr	Enova	mkerr@enova.com
Taylor Altman	Legal Aid Center of Southern Nevada	taltman@lacsns.org
Lacy Stuehler	Dubble Check	dubblecheckloans@gmail.com
Lourdes Gonzalez	Leo's Title Loan LLC	leostitleloan@gmail.com
Matt Kownacki	American Financial Services Association	mkownacki@afsamail.org
Lauren Catlin	Creditbox.com LLC	lcatlin@creditbox.net
Bailey Bortolin	Nevada Coalition of Legal Service Providers	bbortolin@washoelegalservices.org
Marty G. Baker	Thrivos, Inc.	martybaker@thrivos.com
Ross Martin	Check City	rossm@checkcity.com
Jim Marchesi	Check City	Ryanm@checkcity.com
Ryan Marchesi	Check City	Ryanm@checkcity.com
Rachael Schreiber	TMX Finance Family of Companies	Rachael.Schreiber@titlemax.com
Jim Marchesi	Check City	Jtskee@aol.com
Robert Grieser	Community Choice Financial	rgrieser@ccfi.com
Ethan Wilson	Catalyst	ethan@catalystgrouponline.com

Out of the 80 individuals that attending the adoption hearing on December 9, 2020, only 28 signed-in:

Name	Company or Organization	Email Address
Peter Aldous	Legal Aid Center of Southern Nevada	paldous@lacs.org
Victoria Newman	TitleMax of Nevada, Inc.	victoria.newman@titlemax.com
Jeanette Belz	J.K. Belz & Associates, Inc.	jb@jkbels.com
Linda J. Smith	Dubble Check	dubblecheckloans@gmail.com
steve	PCA	sphere76@gmail.com
Sheryl Smith	Omni Financial	ssmith@yesomni.com
Yesenia Medina	Cash 1	yessiemedina@thrivos.com
Lauren Catlin	AmeriCash Loans	lcatlin@americashloans.net
Aaron Mansfield	CURO Financial Technologies Corp	AaronMansfield@curo.com
Joel Tasca	Ballard Spahr LLP	tasca@ballardspahr.com
Marty G. Baker	Thrivos, Inc.	martybaker@thrivos.com
Heidi Welch	USA Cash Services	heidi.welch@usacashservices.com
Jose Herrera	Continental Currency Services of NV	jherrera@ccurr.com
William Horne	Strategies360 representing Enova	williamh@strategies360.com
Bailey Bortolin	Nevada Coalition of Legal Service Providers	baileybortolin@gmail.com
Taylor Altman	Legal Aid Center of Southern Nevada	taltman@lacs.org
Shirley Hardin	Check Treders	checktraders@lnv.com
Janet Phillips	USA Cash Services	janet@usacashservices.com
Julie Townsend	Purpose Financial	jtownsend@teampurpose.com
Patrice Childers	Mucho Frio, Inc.	pachilders@rightnowmgmt.com
Malani Kotchka-Alanes	Lewis Roca Rothgerber Christie LLP on behalf of TitleMax of Nevada, Inc.	mkotchkaalanes@lrrc.com
Matthew Macy	Nevada Title and Payday Loans, Inc.	mmacy@clacorp.com
TRENT MATSON	MONEYTREE, INC.	trent.matson@moneytreeinc.com
Neal Tomlinson	Brownstein Hyatt - On behalf of Dollar Loan Center	ntomlinson@bhfs.com
Melissa Soper	CURO	Melissasoper@curo.com
Ross Martin	Check City	rossm@checkcity.com
Siusan Hammon	Hi-Tex, LLC	susanhammon@protonmail.com
Lourdes Gonzalez	Leo's Title Loan, L.L.C.	leostitleloan@gmail.com

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

Comments were solicited from affected businesses in the same manner as they were solicited from the public (see item 2 above). A summary of responses can be found in the minutes to the workshops and the hearing (Exhibits B, C and D) and small business impact statement (Exhibit A). Copies of these materials can be obtained by contacting Mary Young, Financial Institutions Division at fidmaster@fid.state.nv.us or mmyoung@fid.state.nv.us or 702-486-4120 or by visit the Division's website: www.fid.nv.gov.

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

The initial agency draft regulation was submitted to LCB on March 12, 2020 (see “Exhibit E”) and revisions in consideration of industry comments were submitted on June 24, 2020 (see “Exhibit F”) and August 27, 2020 (see “Exhibit G”) to LCB for their review to determine that the regulation conformed to legislative authority and intent. LCB completed their initial review and provided its revised regulation dated October 26, 2020 and a draft revised proposed regulation dated November 13, 2020 that corrected three items from the version dated October 26, 2020. Those three corrected items were : first item in section 3, missing the number “4” from 604A, it read NRS 60A.303 should have read NRS 604A.303, second item, was an unnecessary apostrophe at the beginning of section 14 subsection 2 and third item was three sections where “monthly” was added to gross income to read “gross monthly income” in align with NRS Chapter 604A in sections 14, section 18 subsection 2(m) and section 22 subsection(1).

At the conclusion of the noticed public hearing on December 9, 2020, the permanent regulation was adopted in the form proposed and reflected in the LCB Draft of Proposed Regulation R037-20 dated November 13, 2020. However, the Division did adopt a change, removing subsection 2(n) *The total obligations of the customer* from section 18, after comments were received during the adoption hearing. The Division discussed the comments received during the hearing and determined that removing that subsection was not considered a substantial change and could avoid a potential conflict between NRS 604A and NAC 604A for lenders that underwrite high-interest loans and deferred deposit loans since NRS 604A does not specifically require a customer’s total obligations when determining a customer’s ability to repay as the chapter specifically states it for Title Loans.

No other changes were made during or after the adoption hearing. The Division made any changes it could in consideration of public comments throughout the rulemaking process, as long as it did not impact the consumer protect responsibility of the Division or the spirit and intent of the law.

7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.

(a) Both adverse and beneficial effects.

Adverse effects. The 604A community has concerns of the start-up, training, and ongoing costs associated with implementing and maintaining the database. In addition, the community is concerned they may see a decrease in accounts receivable since less loans will be given out due to the database providing frontend compliance with NRS 604A.

The Division does not foresee any adverse effects of the proposed regulation. There is no additional expense for the licensee to operate the database. The service provider will not charge a start-up fee. The fee will be charged per approved loan and the minimal charge, not

to exceed \$3.00, will be passed on to the customer. The volume of loans may go down due to the database verifying eligibility of a loan and all licensees will be reporting to the database. This may have an impact on the loans made by a licensee since a customer's ability to repay is considered for loans a customer receives from all licensees, the database will assist a licensee to be in compliance with NRS 604A.

Beneficial effects. Less loans will be made due to the database providing an eligibility check of the loan, however, less consumers will go into default since the ability to repay is checked and the lenders percentage of paid-in-full loans should increase, and could result in a strong returning customer base. The Division has determined the most noticeable beneficial effect from the passage of S.B. 201 is the database will require all licensees to access the database to ensure compliance with existing law governing 604A loans, which will allow a lender to see all loans a customer has with other lenders to determine ability to repay a loan and make a loan that is more likely to be paid back, it will help consumers from staying off the debt treadmill and have access to credit within their ability to repay a loan, and provide data for statistical purposes.

(b) Both immediate and long-term effects.

The immediate effect or long-term economic effect on regulated entities and to the public is the database will assist the licensees with compliance with NRS 604A and their ability to verify additional loans a customer may have outstanding with other lenders. The database provides frontend enforcement of current consumer protections in existing law. The database is a tool for a lender in making loans with the potential of a higher rate of loans being paid back and will assist a licensee with making loans in compliance with existing laws. Borrowers will take out loans they are capable of paying back in a timely manner and will keep a borrower off the debt treadmill.

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

The Division anticipates the cost of enforcement of the proposed regulation to be absorbed into the workloads of existing staff and will not need any additional funding or budget increase.

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

To the best of the Division's knowledge, there are no other state or government agency regulations known by the Division that the proposed regulation overlaps or duplicates.

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

To the best of the Division's knowledge, the adopted regulation does not include provisions which are known to be more stringent than a federal regulation which regulates the same activity.

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

The proposed regulation provides for the service provider to collect a small fee for each approved loan from a 604A licensee, which is passed on to the borrower. The Division will not collect or assess a fee.

Enclosed:

Exhibit A – Small Business Impact Statement

Exhibit B – Minutes of July 8, 2020 Workshop on R037-20

Exhibit C – Minutes of September 16, 2020 Second Workshop on R037-20

Exhibit D – Minutes of December 9, 2020 Adoption Hearing on R037-20

Exhibit E - Initial Draft of Proposed Regulation Submitted to LCB on March 12, 2020

Exhibit F - Second Draft of Proposed Regulation Submitted to LCB on June 24, 2020

Exhibit G –Third Draft of Proposed Regulation Submitted to LCB on August 27, 2020