1-1-1989

**Business Associations and Professions; loan operation exemptions**

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Business Associations and Professions; loan operation exemptions

AB 754 (Committee on Commerce); 1989 STAT. Ch. 453
AB 868 (Committee on Commerce); 1989 STAT. Ch. 500
SB 487 (Committee on Commerce and Labor); 1989 STAT. Ch. 749

Existing law contains provisions governing installment loans1 and regulating mortgage companies.2 Under existing law, specified entities are excluded from the provisions governing mortgage companies.3 Chapter 749 limits this exclusion to mortgage companies whose activities in Nevada are subject to the regulatory authority of another jurisdiction.4

4. 1989 Nev. Stat. ch. 749, sec. 1, at ___) (amending NEV. REV. STAT. § 645B.015). Chapter 451 extends these exemptions to employee benefit plans. Id. This exemption applies if the money loaned comes directly from the employee benefit plan. Id.
Chapter 453 permits a person to apply to the Commissioner of Financial Institutions (Commissioner) for an exemption to the provisions regulating mortgage companies.\(^5\) Chapter 500 allows a person to apply to the Commissioner for an exemption to the provisions governing installment loans.\(^6\) The Commissioner may grant exemptions under Chapters 453 and 500 based on the financial conditions and sound business practices\(^7\) of the parties to the loan, and the likelihood of the loan increasing the capital in a sector of the state economy.\(^8\)

Existing law prohibits a mortgage company from advancing payments to an investor on behalf of a mortgagor who is in default on a loan.\(^9\) Chapter 453 exempts from this provision payments on contracts for the collection and servicing of loans governed by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Association.\(^10\)

Existing law requires mortgage companies to provide borrowers with account statements for impound accounts.\(^11\) Chapter 500 requires mortgage companies to provide copies of any drafts or orders for payment received on the impound account.\(^12\)

Chapter 749 also regulates impound trust accounts by requiring that contributions to the account be in amounts reasonably necessary to discharge obligations coming due, and that payments from the

\(^{5}\) Id. ch. 453, sec. 1, at — (enacting Nev. Rev. Stat. § 645B.-).

\(^{6}\) Id. ch. 500, sec. 1, at — (enacting Nev. Rev. Stat. § 675.-).


account not be made in a manner that will result in delinquent
property taxes or the cancellation of insurance policies. 13

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borrower must be notified of excess contributions in the account, and may specify disposition
of the excess funds. Id. Additional amounts may be required by the mortgage company to
recover deficiencies in the account. Id. See also id. sec. 7, at ___ (enacting Nev. Rev. Stat.
ch. 106.___ ) (defining and regulating mortgages, requiring similar protections under Nevada
Revised Statutes chapter 106, and providing for a civil penalty of $1000, payable to the
borrower, for mortgage companies who violate the provisions of section 7).

Business Associations and Professions; polygraph examiner-
waivers of liability

AB 53 (Spinello); 1989 Stat. Ch. 13

With the enactment of Chapter 13, a person undergoing a poly-
graphic examination1 cannot be asked to sign a waiver limiting the
liability2 of the examiner3 or intern.4 Any signed waiver is void.5

DMT

also id. § 648.0103 (1987) (a polygraphic instrument measures the examinee’s physiological
reactions to psychological stimuli, from which the examiner forms an opinion regarding the
truthfulness of the response).

2. See id. § 648.1351 (1987) (a licensed polygraph examiner or intern must possess an
insurance policy, or be self-insured, for at least $200,000).

