



Pacific Law Journal Review of Selected Nevada Legislative

Volume 1989 | Issue 1

Article 11

1-1-1989

Business Associations and Professions; loan operation exemptions

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Recommended Citation

The University of the Pacific, McGeorge School of Law, *Business Associations and Professions; loan operation exemptions*, 1989 U. PAC. L. REV. (2019).

Available at: <https://scholarlycommons.pacific.edu/nlr/vol1989/iss1/11>

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unlicensed or unregistered persons to represent themselves as licensed appraisers or registered interns.⁴⁴

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44. *Id.* It is also a gross misdemeanor for an unlicensed or unregistered person to use words synonymous with "licensed," "registered," or "certified" to suggest the person is licensed or registered. *Id.*

Business Associations and Professions; loan operation exemptions

NEV. REV. STAT. §§ 106.____, 645B.____, 675.____, (new); §§ 645B.010, 645B.015, 645B.020, 645B.050, 645B.080, 645B.170, 645B.180, 645B.191, 675.040, 675.369, 675.470 (amended).

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

1. See NEV. REV. STAT. §§ 675.010-.470 (1987) (Nevada Installment Loan and Finance Act).

2. *Id.* § 645B.015 (1987) (amended by 1989 Nev. Stat. ch. 453, sec. 3, at ____ (defining entities covered by the statute). See *id.* §§ 645B.010 3 (1987) (amended by 1989 Nev. Stat. ch. 453, sec. 2 at ____ (definition of a mortgage company); 645B.020-.230 (1987) (providing for licensing of mortgage companies and their regulation). See also NEV. ADMIN. CODE ch. ____, §§ 645B.010-.140 (1987) (procedures and regulations of mortgage companies).

3. NEV. REV. STAT. § 645B.015 (1987) (amended by 1989 Nev. Stat. ch. 453, sec. 1, at ____).

4. 1989 Nev. Stat. ch. 749, sec. 1, at ____ (amending NEV. REV. STAT. § 645B.015). Chapter 453 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 practices⁷ 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.____).

7. Sound business practices are demonstrated by a record of sound performance, efficient management, financial responsibility, and integrity. *Id.* chs. 453, sec. 1, at ___ (enacting NEV. REV. STAT. § 645B.____); 500, sec. 1, at ___ (enacting NEV. REV. STAT. § 675.____).

8. *Id.* chs. 453, sec. 1, at ___ (enacting NEV. REV. STAT. § 645B.____); 500, sec. 1, at ___ (enacting NEV. REV. STAT. § 675.____). An exemption is not allowed if it would harm the financial condition of a party to the loan or that of the person providing the money for the loan, or if the exemption would be detrimental to the public interest. *Id.* chs. 453, sec. 1, at ___ (enacting NEV. REV. STAT. § 645B.____); 500, sec. 1, at ___ (enacting NEV. REV. STAT. § 675.____). The Commissioner may revoke an exemption prior to a loan being made. *Id.* chs. 453, sec. 1, at ___ (enacting NEV. REV. STAT. § 645B.____); 500, sec. 1, at ___ (enacting NEV. REV. STAT. § 675.____).

9. NEV. REV. STAT. § 645B.191 (1987) (amended by 1989 Nev. Stat. ch. 453, sec. 4, at ___).

10. 1989 Nev. Stat. ch. 453, sec. 4, at ___ (amending NEV. REV. STAT. § 645B.191).

11. NEV. REV. STAT. § 675.369 (1985) (amended by 1989 Nev. Stat. ch. 500, sec. 3, at ___).

12. 1989 Nev. Rev. Stat. ch. 500, sec. 3, at ___ (amending NEV. REV. STAT. § 675.369).

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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13. 1989 Nev. Stat. ch. 749, sec. 5, at ___ (amending NEV. REV. STAT. § 645B.170). The 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

NEV. REV. STAT. § 648.____ (new).
AB 53 (Spinello); 1989 STAT. Ch. 13

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

DMT

1. See NEV. REV. STAT. § 648.0106 (1987) (definition of polygraphic examination). See 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.* § 648.135 1 (1987) (a licensed polygraph examiner or intern must possess an insurance policy, or be self-insured, for at least \$200,000).

3. See *id.* § 648.0109 (1987) (definition of polygraphic examiner).

4. 1989 Nev. Stat. ch. 13, sec. 1, at ___ (enacting NEV. REV. STAT. § 648.____). See NEV. REV. STAT. § 648.0067 (1987) (definition of intern).

5. 1989 Nev. Stat. ch. 13, sec. 1, at ___ (enacting NEV. REV. STAT. § 648.____).