

ASSEMBLY BILL NO. 255—ASSEMBLYMAN HAMBRICK

MARCH 3, 2017

JOINT SPONSOR: SENATOR CANNIZZARO

Referred to Committee on Commerce and Labor

SUMMARY—Provides that provisions governing certain short-term loans and installment loans do not apply to certain extensions of credit. (BDR 52-921)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to financial services; providing that provisions governing the licensing and regulation of certain short-term loans and installment loans do not apply to the extension of credit to any person who is not a resident of this State for any business, commercial or agricultural purpose that is located outside of this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law establishes standards and procedures for the licensing and
2 regulations of certain short-term loans, commonly referred to as “payday loans,”
3 high-interest loans and title loans. (Chapter 604A of NRS)
4 Existing law sets forth the standards and procedures for the licensing and
5 regulations of loans repayable in installments, which include loans that may or may
6 not be made on substantial security and loans for indefinite terms. (Chapter 675 of
7 NRS) This bill provides that these provisions do not apply to a person who
8 exclusively extends credit to any person who is not a resident of this State for any
9 business, commercial or agricultural purpose that is located outside of this State.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** (Deleted by amendment.)
2 **Sec. 2.** (Deleted by amendment.)



1 **Sec. 3.** (Deleted by amendment.)

2 **Sec. 3.3.** NRS 604A.250 is hereby amended to read as
3 follows:

4 604A.250 The provisions of this chapter do not apply to:

5 1. Except as otherwise provided in NRS 604A.200, a person
6 doing business pursuant to the authority of any law of this State or
7 of the United States relating to banks, national banking associations,
8 savings banks, trust companies, savings and loan associations, credit
9 unions, mortgage brokers, mortgage bankers, thrift companies or
10 insurance companies, including, without limitation, any affiliate
11 or subsidiary of such a person regardless of whether the affiliate or
12 subsidiary is a bank.

13 2. A person who is primarily engaged in the retail sale of goods
14 or services who:

15 (a) As an incident to or independently of a retail sale or service,
16 from time to time cashes checks for a fee or other consideration of
17 not more than \$2; and

18 (b) Does not hold himself or herself out as a check-cashing
19 service.

20 3. A person while performing any act authorized by a license
21 issued pursuant to chapter 671 of NRS.

22 4. A person who holds a nonrestricted gaming license issued
23 pursuant to chapter 463 of NRS while performing any act in the
24 course of that licensed operation.

25 5. A person who is exclusively engaged in a check-cashing
26 service relating to out-of-state checks.

27 6. A corporation organized pursuant to the laws of this State
28 that has been continuously and exclusively engaged in a check-
29 cashing service in this State since July 1, 1973.

30 7. A pawnbroker, unless the pawnbroker operates a check-
31 cashing service, deferred deposit loan service, high-interest loan
32 service or title loan service.

33 8. A real estate investment trust, as defined in 26 U.S.C. § 856.

34 9. An employee benefit plan, as defined in 29 U.S.C. §
35 1002(3), if the loan is made directly from money in the plan by the
36 plan's trustee.

37 10. An attorney at law rendering services in the performance of
38 his or her duties as an attorney at law if the loan is secured by real
39 property.

40 11. A real estate broker rendering services in the performance
41 of his or her duties as a real estate broker if the loan is secured by
42 real property.

43 12. Any firm or corporation:

44 (a) Whose principal purpose or activity is lending money on real
45 property which is secured by a mortgage;



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1 (b) Approved by the Federal National Mortgage Association as
2 a seller or servicer; and

3 (c) Approved by the Department of Housing and Urban
4 Development and the Department of Veterans Affairs.

5 13. A person who provides money for investment in loans
6 secured by a lien on real property, on his or her own account.

7 14. A seller of real property who offers credit secured by a
8 mortgage of the property sold.

9 15. A person who makes a refund anticipation loan, unless the
10 person operates a check-cashing service, deferred deposit loan
11 service, high-interest loan service or title loan service.

12 *16. A person who exclusively extends credit to any person*
13 *who is not a resident of this State for any business, commercial or*
14 *agricultural purpose that is located outside of this State.*

15 **Sec. 3.7.** NRS 675.040 is hereby amended to read as follows:

16 675.040 This chapter does not apply to:

17 1. Except as otherwise provided in NRS 675.035, a person
18 doing business under the authority of any law of this State or of the
19 United States relating to banks, national banking associations,
20 savings banks, trust companies, savings and loan associations, credit
21 unions, mortgage brokers, mortgage bankers, thrift companies,
22 pawnbrokers or insurance companies.

23 2. A real estate investment trust, as defined in 26 U.S.C. § 856.

24 3. An employee benefit plan, as defined in 29 U.S.C. §
25 1002(3), if the loan is made directly from money in the plan by the
26 plan's trustee.

27 4. An attorney at law rendering services in the performance of
28 his or her duties as an attorney at law if the loan is secured by real
29 property.

30 5. A real estate broker rendering services in the performance of
31 his or her duties as a real estate broker if the loan is secured by real
32 property.

33 6. Except as otherwise provided in this subsection, any firm or
34 corporation:

35 (a) Whose principal purpose or activity is lending money on real
36 property which is secured by a mortgage;

37 (b) Approved by the Federal National Mortgage Association as
38 a seller or servicer; and

39 (c) Approved by the Department of Housing and Urban
40 Development and the Department of Veterans Affairs.

41 7. A person who provides money for investment in loans
42 secured by a lien on real property, on his or her own account.

43 8. A seller of real property who offers credit secured by a
44 mortgage of the property sold.



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1 9. A person holding a nonrestricted state gaming license issued
2 pursuant to the provisions of chapter 463 of NRS.

3 10. A person licensed to do business pursuant to chapter 604A
4 of NRS with regard to those services regulated pursuant to chapter
5 604A of NRS.

6 *11. A person who exclusively extends credit to any person*
7 *who is not a resident of this State for any business, commercial or*
8 *agricultural purpose that is located outside of this State.*

9 **Sec. 4.** This act becomes effective upon passage and approval.

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