

ASSEMBLY BILL NO. 308—ASSEMBLYMEN CONKLIN, KIRKPATRICK, SMITH, ATKINSON; BUSTAMANTE ADAMS, CARRILLO, DALY, DONDERO LOOP, FRIERSON, MASTROLUCA, OCEGUERA AND SEGERBLOM

MARCH 17, 2011

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the regulation of mortgage lending. (BDR 54-183)

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

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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 mortgage lending; revising provisions governing certain mortgage lending professionals to be consistent with certain federal law governing the provision of mortgage assistance relief services; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law regulates the activities of certain mortgage lending professionals
2 who provide counseling, assistance and advice to homeowners whose homes are
3 subject to an outstanding notice of the pendency of an action for foreclosure. (NRS
4 645F.300-645F.450) The Federal Trade Commission similarly regulates the
5 activities of persons who provide mortgage assistance relief services. (16 C.F.R.
6 Part 322) This bill revises Nevada law to provide protections for homeowners
7 consistent with the protections provided pursuant to the regulations adopted by the
8 Federal Trade Commission.

9 **Section 2** of this bill prohibits a person who performs any covered service for
10 compensation, a foreclosure consultant or a loan modification consultant from
11 requesting or receiving any compensation before a homeowner executes a written
12 agreement that incorporates an offer of mortgage assistance.

13 **Section 3** of this bill requires a person who performs any covered service for
14 compensation, a foreclosure consultant or a loan modification consultant to
15 maintain certain records for not less than 24 months. **Section 3** provides that such
16 records are subject to inspection and audit by the Commissioner of Mortgage
17 Lending. **Section 3** also requires a person who performs any covered service for
18 compensation, a foreclosure consultant or a loan modification consultant to take
19 reasonable steps to ensure that any of his or her employees or independent



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20 contractors comply with the laws and regulations governing persons who perform
21 covered services for compensation, foreclosure consultants and loan modification
22 consultants.

23 **Section 4** of this bill requires a person who performs any covered service for
24 compensation, a foreclosure consultant or a loan modification consultant to make
25 certain disclosures in connection with any commercial communication relating to
26 the provision of any covered service.

27 **Section 5** of this bill requires a person who performs any covered service for
28 compensation, a foreclosure consultant or a loan modification consultant to provide
29 certain notices to a homeowner at the time the homeowner is presented with a
30 written agreement incorporating an offer of mortgage assistance obtained from the
31 homeowner's lender or servicer.

32 **Section 6** of this bill prohibits a person who knows or reasonably should know
33 that a person who performs any covered service for compensation, a foreclosure
34 consultant or a loan modification consultant is not in compliance with the laws and
35 regulations governing covered services from providing substantial assistance or
36 support to the person who performs any covered service for compensation, the
37 foreclosure consultant or the loan modification consultant.

38 **Section 8** of this bill extends to the employees of an attorney at law the
39 exemption from regulation as a foreclosure consultant or foreclosure purchaser that
40 is currently provided under certain circumstances to an attorney at law.

41 **Section 9** of this bill prohibits a person who performs any covered service for
42 compensation, a foreclosure consultant or a loan modification consultant from
43 making certain express or implied representations relating to the provision of
44 covered services, including any representation that: (1) a homeowner cannot or
45 should not contact or communicate with his or her lender; or (2) the covered service
46 is affiliated with or endorsed by the Federal Government, the State of Nevada or
47 any department, agency or political subdivision thereof. **Section 9** also prohibits a
48 person who performs any covered service, a foreclosure consultant or a loan
49 modification consultant from obtaining or attempting to obtain from a homeowner a
50 waiver of any provision of this bill or existing law. Any such waiver is void and
51 unenforceable. A violation of any provision of **section 9** constitutes mortgage
52 lending fraud and is punishable as a category C felony.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 645F of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 6, inclusive, of this
3 act.

4 **Sec. 2.** *A person who performs any covered service for*
5 *compensation, a foreclosure consultant and a loan modification*
6 *consultant shall not claim, demand, charge, collect or receive any*
7 *compensation before a homeowner has executed a written*
8 *agreement with the lender or servicer incorporating the offer of*
9 *mortgage assistance obtained from the lender or servicer by the*
10 *person who performs any covered service for compensation, the*
11 *foreclosure consultant or the loan modification consultant.*

12 **Sec. 3.** *1. A person who performs any covered service for*
13 *compensation, a foreclosure consultant and a loan modification*



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1 *consultant shall keep each of the following records for a period of*
2 *not less than 24 months after the date the record is created:*

3 *(a) Each contract or other agreement between the person who*
4 *performs any covered service for compensation, foreclosure*
5 *consultant or loan modification consultant and a homeowner.*

6 *(b) A copy of each written communication between the person*
7 *who performs any covered service for compensation, foreclosure*
8 *consultant or loan modification consultant and a homeowner*
9 *which occurred before the date on which the homeowner entered*
10 *into a contract for covered services.*

11 *(c) A copy of every document or telephone recording created in*
12 *connection with the requirements of subsection 2.*

13 *(d) The file of each homeowner, which must include, without*
14 *limitation, the name of the homeowner, his or her telephone*
15 *number, the amount of money paid by the homeowner and a*
16 *description of the covered services purchased by the homeowner.*

17 *(e) For each covered service, a copy of every materially*
18 *different sales script, training material, commercial*
19 *communication or any other marketing material, including,*
20 *without limitation, any material published on an Internet website.*

21 *(f) A copy of each disclosure provided to a homeowner*
22 *pursuant to section 5 of this act.*

23 *2. A person who performs any covered service for*
24 *compensation, a foreclosure consultant and a loan modification*
25 *consultant shall:*

26 *(a) Take reasonable steps to ensure that all employees and*
27 *independent contractors of the person who performs any covered*
28 *service for compensation, foreclosure consultant or loan*
29 *modification consultant comply with the provisions of NRS*
30 *645F.300 to 645F.450, inclusive, and sections 2 to 6, inclusive, of*
31 *this act and any regulations adopted pursuant thereto.*

32 *(b) If the person who performs any covered service for*
33 *compensation, foreclosure consultant or loan modification*
34 *consultant is engaged in the telemarketing of covered services,*
35 *perform random, blind recording and testing of the oral*
36 *representations made by persons engaged in sales or other*
37 *customer service functions.*

38 *(c) Establish a procedure for receiving and responding to all*
39 *complaints of homeowners.*

40 *(d) Record the number and nature of complaints of*
41 *homeowners regarding transactions involving an employee or*
42 *independent contractor of the person who performs any covered*
43 *service for compensation, foreclosure consultant or loan*
44 *modification consultant.*



1 (e) Investigate promptly and fully each complaint received
2 from a homeowner.

3 (f) Take corrective action with respect to any employee or
4 independent contractor whom the person who performs any
5 covered service for compensation, foreclosure consultant or loan
6 modification consultant determines is not complying with the
7 provisions of NRS 645F.300 to 645F.450, inclusive, and sections 2
8 to 6, inclusive, of this act and any regulations adopted pursuant
9 thereto.

10 (g) Maintain any information necessary to demonstrate
11 compliance with the requirements of this subsection.

12 3. All records kept pursuant to this section are subject to
13 inspection and audit by the Commissioner and authorized
14 representatives of the Commissioner.

15 **Sec. 4. 1. A person who performs any covered service for**
16 **compensation, a foreclosure consultant and a loan modification**
17 **consultant shall:**

18 (a) Include with each general commercial communication for
19 any covered service the following disclosures printed in at least
20 12-point type:

21 (1) “[Name of company] is not associated with the
22 government, and our service is not approved by the government or
23 your lender.”

24 (2) In any case in which the person who performs any
25 covered service for compensation, the foreclosure consultant or
26 the loan modification consultant makes an express or implied
27 representation that homeowners will receive covered services:

28 “Even if you accept this offer and use our service, your
29 lender may not agree to change your loan.”

30 (b) Include with each commercial communication which is
31 specific to a homeowner the following disclosures printed in at
32 least 12-point type:

33 (1) “You may stop doing business with us at any time. You
34 may accept or reject the offer we obtain from your lender [or
35 servicer]. If you reject the offer, you do not have to pay us. If you
36 accept the offer, you will have to pay us [insert total amount or
37 method of calculating the total amount] for our services.”

38 (2) “[Name of company] is not associated with the
39 government, and our service is not approved by the government or
40 your lender.”

41 (3) In any case in which the person who performs any
42 covered service for compensation, the foreclosure consultant or
43 the loan modification consultant makes an express or implied
44 representation that the homeowner will receive covered services:



1 *“Even if you accept this offer and use our service, your*
2 *lender may not agree to change your loan.”*

3 (c) *Include with any commercial communication relating to a*
4 *covered service in which the person who performs any covered*
5 *service for compensation, foreclosure consultant or loan*
6 *modification consultant represents expressly or by implication that*
7 *a homeowner should temporarily or permanently discontinue*
8 *payments, in whole or in part, on any mortgage or lien on a*
9 *residence in foreclosure a clear and prominent statement, in close*
10 *proximity to the express or implied representation and printed in*
11 *at least 12-point type, which provides that:*

12 *“If you stop paying your mortgage, you could lose your*
13 *home and damage your credit rating.”*

14 2. *The disclosures required by paragraphs (a) and (b) of*
15 *subsection 1 must be made in a clear and prominent manner and:*

16 (a) *In a written communication, the disclosures must appear*
17 *together and be preceded by the heading “IMPORTANT*
18 *NOTICE,” printed in at least 14-point bold type; and*

19 (b) *In an oral communication, the audio component of the*
20 *required disclosures must be preceded by the statement “Before*
21 *using this service, consider the following information” and, if the*
22 *oral communication is made by telephone, must be made at the*
23 *beginning of the communication.*

24 3. *As used in this section, “total amount” means all amounts*
25 *the homeowner must pay to purchase, receive and use all covered*
26 *services that are subject to the contract for covered services,*
27 *including, without limitation, all fees and charges.*

28 **Sec. 5. 1.** *A person who performs any covered service for*
29 *compensation, a foreclosure consultant and a loan modification*
30 *consultant shall, at the time the person who performs any covered*
31 *service for compensation, the foreclosure consultant or the loan*
32 *modification consultant provides a homeowner with a written*
33 *agreement between the homeowner and the homeowner’s lender*
34 *or servicer incorporating the offer of mortgage assistance obtained*
35 *from the homeowner’s lender or servicer:*

36 (a) *Provide the following notice printed in at least 12-point*
37 *type to the homeowner:*

38
39 *“This is an offer of mortgage assistance we obtained from*
40 *your lender [or servicer]. You may accept or reject the offer.*
41 *If you reject the offer, you do not have to pay us. If you*
42 *accept the offer, you will have to pay us [insert total amount*
43 *or method of calculating the total amount] for our services.”*



1 ↪ *The notice must be made in a clear and prominent manner on a*
2 *separate written page and be preceded by the heading*
3 *“IMPORTANT NOTICE: BEFORE BUYING THIS SERVICE,*
4 *CONSIDER THE FOLLOWING INFORMATION” printed in at*
5 *least 14-point bold type.*

6 (b) *Provide the homeowner with a notice printed in at least*
7 *12-point type from the homeowner’s lender or servicer which*
8 *includes a complete description of all material differences between*
9 *the terms, conditions and limitations which apply to the*
10 *homeowner’s current mortgage loan and the terms, conditions*
11 *and limitations which will apply to the homeowner’s mortgage*
12 *loan if he or she accepts the offer of the lender or servicer,*
13 *including, without limitation, the differences between the*
14 *mortgage loans with regard to the:*

15 (1) *Principal balance;*

16 (2) *Contract interest rate, including the maximum rate and*
17 *any adjustable rates;*

18 (3) *Amount and number of scheduled periodic payments;*

19 (4) *Monthly amounts owed for principal, interest, taxes and*
20 *mortgage insurance;*

21 (5) *Amount of any delinquent payments owing or*
22 *outstanding; and*

23 (6) *Term.*

24 ↪ *The notice required by this paragraph must be made in a clear*
25 *and prominent manner on a separate written page and be*
26 *preceded by the heading “IMPORTANT INFORMATION FROM*
27 *[name of lender or servicer] ABOUT THIS OFFER” printed in at*
28 *least 14-point bold type.*

29 2. *If the offer obtained from the lender or servicer by the*
30 *person who performs any covered service for compensation, the*
31 *foreclosure consultant or the loan modification consultant is a*
32 *trial mortgage loan modification, the notice required by paragraph*
33 *(b) of subsection 1 must include notice to the homeowner:*

34 (a) *That the homeowner may not qualify for a permanent*
35 *mortgage loan modification; and*

36 (b) *Setting forth the likely amount of scheduled periodic*
37 *payments and arrears, payments and fees the homeowner would*
38 *owe if the homeowner failed to qualify for a permanent mortgage*
39 *loan modification.*

40 3. *As used in this section, “total amount” has the meaning*
41 *ascribed to it in section 4 of this act.*

42 **Sec. 6.** *A person who knows or reasonably should know that*
43 *another person who performs any covered service for*
44 *compensation, a foreclosure consultant or a loan modification*
45 *consultant is in violation of any provision of NRS 645F.300 to*



1 **645F.450, inclusive, and sections 2 to 6, inclusive, of this act and**
2 **any regulations adopted pursuant thereto shall not provide**
3 **substantial assistance or support to the person who performs any**
4 **covered service for compensation, foreclosure consultant or loan**
5 **modification consultant.**

6 **Sec. 7.** NRS 645F.300 is hereby amended to read as follows:

7 645F.300 As used in NRS 645F.300 to 645F.450, inclusive,
8 **and sections 2 to 6, inclusive, of this act,** unless the context
9 otherwise requires, the words and terms defined in NRS 645F.310 to
10 645F.370, inclusive, have the meanings ascribed to them in those
11 sections.

12 **Sec. 8.** NRS 645F.380 is hereby amended to read as follows:

13 645F.380 The provisions of NRS 645F.300 to 645F.450,
14 inclusive, **and sections 2 to 6, inclusive, of this act** do not apply to,
15 and the terms "foreclosure consultant" and "foreclosure purchaser"
16 do not include:

17 1. An attorney at law rendering services in the performance of
18 his or her duties as an attorney at law ~~[]~~ **and his or her employees,**
19 unless the attorney at law ~~[is]~~ **or his or her employees are** rendering
20 those services in the course and scope of his or her employment by
21 or other affiliation with a ~~[mortgage broker or mortgage agent;]~~
22 **person who is licensed or required to be licensed pursuant to**
23 **NRS 645F.390;**

24 2. A provider of debt-management services registered pursuant
25 to chapter 676A of NRS while providing debt-management services
26 pursuant to chapter 676A of NRS;

27 3. A person or the authorized agent of a person acting under the
28 provisions of a program sponsored by the Federal Government, this
29 State or a local government, including, without limitation, the
30 Department of Housing and Urban Development, the Federal Home
31 Loan Mortgage Corporation, the Federal National Mortgage
32 Association or the Federal Home Loan Bank ~~[]~~ **System;**

33 4. A person who holds or is owed an obligation secured by a
34 mortgage or other lien on a residence in foreclosure if the person
35 performs services in connection with this obligation or lien and the
36 obligation or lien did not arise as the result of or as part of a
37 proposed foreclosure reconveyance;

38 5. Any person doing business under the laws of this State or of
39 the United States relating to banks, trust companies, savings and
40 loan associations, industrial loan and thrift companies, regulated
41 lenders, credit unions, insurance companies, or a mortgagee which
42 is a United States Department of Housing and Urban Development
43 approved mortgagee and any subsidiary or affiliate of those persons,
44 and any agent or employee of those persons while engaged in the
45 business of those persons;



1 6. A person, other than a person who is licensed pursuant to
2 NRS 645F.390, who is licensed pursuant to chapter 692A or any
3 chapter of title 54 of NRS while acting under the authority of the
4 license;

5 7. A nonprofit agency or organization that offers credit
6 counseling or advice to a homeowner of a residence in foreclosure
7 or a person in default on a loan; or

8 8. A judgment creditor of the homeowner whose claim accrued
9 before the recording of the notice of the pendency of an action for
10 foreclosure against the homeowner pursuant to NRS 14.010 or the
11 recording of the notice of default and election to sell pursuant to
12 NRS 107.080.

13 **Sec. 9.** NRS 645F.400 is hereby amended to read as follows:

14 645F.400 1. A person who performs any covered service, a
15 foreclosure consultant and a loan modification consultant shall not:

16 (a) Claim, demand, charge, collect or receive any compensation
17 except in accordance with ~~[NRS 645F.394.]~~ *the terms of a contract*
18 *for covered services.*

19 (b) Claim, demand, charge, collect or receive any fee, interest or
20 other compensation for any reason which is not fully disclosed to
21 the homeowner.

22 (c) Take *or acquire, directly or indirectly,* any wage
23 assignment, lien on real or personal property, assignment of a
24 homeowner's equity ~~[or other]~~ , *any* interest in a residence ~~[in~~
25 ~~foreclosure]~~ or other security for the payment of compensation. Any
26 such *assignment or* security is void and unenforceable.

27 (d) Receive any consideration from any third party in connection
28 with a covered service provided to a homeowner unless the
29 consideration is first fully disclosed to the homeowner.

30 ~~(e) [Acquire, directly or indirectly, any interest in the residence~~
31 ~~in foreclosure of a homeowner with whom the foreclosure~~
32 ~~consultant has contracted to perform a covered service.~~

33 ~~—(f)]~~ Accept a power of attorney from a homeowner for any
34 purpose, other than to inspect documents as provided by law.

35 (f) *Make any representation, express or implied, that a*
36 *homeowner cannot or should not contact or communicate with his*
37 *or her lender or servicer.*

38 (g) *Misrepresent any aspect of any covered service.*

39 (h) *Make any representation, express or implied, that a*
40 *covered service is affiliated with, associated with or endorsed or*
41 *approved by:*

42 (1) *The Federal Government, the State of Nevada or any*
43 *department, agency or political subdivision thereof;*

44 (2) *Any governmental plan for homeowner assistance;*

45 (3) *Any nonprofit housing counselor agency or program;*



1 (4) *The maker, holder or servicer of a homeowner's*
2 *mortgage loan; or*

3 (5) *Any other person, entity or program.*

4 (i) *Make any representation, express or implied, about the*
5 *benefits, performance or efficacy of any covered service unless, at*
6 *the time the representation is made, the person who performs any*
7 *covered service, the foreclosure consultant or the loan*
8 *modification consultant possesses and relies upon competent and*
9 *reliable evidence which substantiates that the representation is*
10 *true. As used in this paragraph, "competent and reliable evidence"*
11 *means tests, analyses, research, studies or other evidence based on*
12 *the expertise of professionals in the relevant area that have been*
13 *conducted and evaluated in an objective manner by persons*
14 *qualified to do so using procedures generally accepted in the*
15 *profession to yield accurate and reliable results.*

16 (j) *Obtain or attempt to obtain any waiver of the provisions of*
17 *NRS 645F.300 to 645F.450, inclusive, and sections 2 to 6,*
18 *inclusive, of this act or any regulations adopted pursuant thereto.*
19 *Any such waiver is void and unenforceable.*

20 2. In addition to any other penalty, a violation of any provision
21 of this section shall be deemed to constitute mortgage lending fraud
22 for the purposes of NRS 205.372.

23 **Sec. 10.** NRS 645F.430 is hereby amended to read as follows:

24 645F.430 A foreclosure purchaser who engages in any conduct
25 that operates as a fraud or deceit upon a homeowner in connection
26 with a transaction that is subject to the provisions of NRS 645F.300
27 to 645F.450, inclusive, *and sections 2 to 6, inclusive, of this act,*
28 including, without limitation, a foreclosure reconveyance, is guilty
29 of a gross misdemeanor and shall be punished by imprisonment in
30 the county jail for not more than 1 year, or by a fine of not more
31 than \$50,000, or by both fine and imprisonment.

32 **Sec. 11.** NRS 645F.440 is hereby amended to read as follows:

33 645F.440 1. In addition to the penalty provided in NRS
34 645F.430 and except as otherwise provided in subsection 5, if a
35 foreclosure purchaser engages in any conduct that operates as a
36 fraud or deceit upon a homeowner in connection with a transaction
37 that is subject to the provisions of NRS 645F.300 to 645F.450,
38 inclusive, *and sections 2 to 6, inclusive, of this act,* including,
39 without limitation, a foreclosure reconveyance, the transaction in
40 which the foreclosure purchaser acquired title to the residence in
41 foreclosure may be rescinded by the homeowner within 2 years after
42 the date of the recording of the conveyance.

43 2. To rescind a transaction pursuant to subsection 1, the
44 homeowner must give written notice to the foreclosure purchaser
45 and a successor in interest to the foreclosure purchaser, if the



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1 successor in interest is not a bona fide purchaser, and record that
2 notice with the recorder of the county in which the property is
3 located. The notice of rescission must contain:

4 (a) The name of the homeowner, the foreclosure purchaser and
5 any successor in interest who holds title to the property; and

6 (b) A description of the property.

7 3. Within 20 days after receiving notice pursuant to
8 subsection 2:

9 (a) The foreclosure purchaser and the successor in interest, if the
10 successor in interest is not a bona fide purchaser, shall reconvey to
11 the homeowner title to the property free and clear of encumbrances
12 which were created subsequent to the rescinded transaction and
13 which are due to the actions of the foreclosure purchaser; and

14 (b) The homeowner shall return to the foreclosure purchaser any
15 consideration received from the foreclosure purchaser in exchange
16 for the property.

17 4. If the foreclosure purchaser has not reconveyed to the
18 homeowner title to the property within the period described in
19 subsection 3, the homeowner may bring an action to enforce the
20 rescission in the district court of the county in which the property is
21 located.

22 5. A transaction may not be rescinded pursuant to this section
23 if the foreclosure purchaser has transferred the property to a bona
24 fide purchaser.

25 6. As used in this section, "bona fide purchaser" means any
26 person who purchases an interest in a residence in foreclosure from
27 a foreclosure purchaser in good faith and for valuable consideration
28 and who does not know or have reasonable cause to believe that the
29 foreclosure purchaser engaged in conduct which violates
30 subsection 1.

31 **Sec. 12.** NRS 645F.450 is hereby amended to read as follows:

32 645F.450 The rights, remedies and penalties provided pursuant
33 to the provisions of NRS 645F.300 to 645F.450, inclusive, *and*
34 *sections 2 to 6, inclusive, of this act* are cumulative and do not
35 abrogate and are in addition to any other rights, remedies and
36 penalties that may exist at law or in equity, including, without
37 limitation, any criminal penalty that may be imposed pursuant to
38 NRS 645F.430.

39 **Sec. 13.** NRS 645F.394 is hereby repealed.

40 **Sec. 14.** This act becomes effective on July 1, 2011.



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TEXT OF REPEALED SECTION

645F.394 Foreclosure consultants, loan modification consultants and persons performing covered services for compensation: Deposits and trust accounts; commingling; records; inspection and audit.

1. All money paid to a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant by a person in full or partial payment of covered services to be performed:

(a) Must be deposited in a separate checking account located in a federally insured depository financial institution or credit union in this State which must be designated a trust account;

(b) Must be kept separate from money belonging to the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant; and

(c) Must not be withdrawn by the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant until the completion of every covered service as agreed upon in the contract for covered services.

2. The person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant shall keep records of all money deposited in a trust account pursuant to subsection 1. The records must clearly indicate the date and from whom he or she received money, the date deposited, the dates of withdrawals, and other pertinent information concerning the transaction, and must show clearly for whose account the money is deposited and to whom the money belongs. The person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant shall balance each separate trust account at least monthly and provide to the Commissioner, on a form provided by the Commissioner, an annual accounting which shows an annual reconciliation of each separate trust account. All such records and money are subject to inspection and audit by the Commissioner and authorized representatives of the Commissioner.

3. Each person who performs any covered service for compensation, each foreclosure consultant and each loan modification consultant shall notify the Commissioner of the names of the banks and credit unions in which he or she maintains trust



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accounts and specify the names of the accounts on forms provided by the Commissioner.

4. As used in this section, "completion of every covered service" means:

(a) Successful results with respect to what the performance of each covered service was intended to yield for the homeowner, as described in the contract for covered services; or

(b) If the performance of one or more covered service has an unsuccessful result with respect to what the performance of that covered service was intended to yield for the homeowner, a showing that every reasonable effort was made, under the particular circumstances, to obtain successful results,

↳ as verified in a written statement provided to the homeowner.

