

ASSEMBLY BILL NO. 118—ASSEMBLYMEN SWANK, COHEN;  
DURAN, FUMO, NGUYEN, PETERS, SPRINKLE AND WATTS

FEBRUARY 6, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to certain financial transactions and short-term loans. (BDR 52-621)

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; prohibiting certain persons who provide money to a consumer who is a party to a pending legal action in this State from charging an annual percentage rate greater than 36 percent; prohibiting a person who is licensed to operate certain loan services from making short-term loans with an annual percentage rate greater than 36 percent; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 This bill prohibits the making of certain types of loans and entering into certain  
2 other transactions in which the annual percentage rate charged is more than 36  
3 percent. **Sections 2-11** of this bill establish provisions relating to transactions in  
4 which a person provides a consumer who is a party to a pending legal action in this  
5 State with money and the consumer confers to that person the right to receive the  
6 proceeds or a part of the proceeds of the settlement, insurance payment, award of  
7 damages or any other money expected as a result of the consumer’s legal action.  
8 **Section 8** of this bill designates this type of transaction as a “presettlement funding  
9 transaction.” **Section 11** of this bill: (1) prohibits a presettlement funding provider  
10 from entering into a presettlement funding transaction with a consumer if the  
11 annual percentage rate charged is more than 36 percent; and (2) provides that a  
12 presettlement funding contract entered into in violation of that section is void.

13 Existing law establishes standards and procedures for the licensing and  
14 regulation of certain short-term loans, commonly referred to as “payday loans,”  
15 high-interest loans and title loans. (Chapter 604A of NRS) Under existing law, a  
16 “high-interest loan” is defined as any loan which charges an annual percentage rate  
17 of more than 40 percent. (NRS 604A.0703) **Section 12** of this bill prohibits a  
18 person who is licensed under chapter 604A of NRS from making a loan which  
19 charges an annual percentage rate of more than 36 percent. **Sections 13-32 and 34**



20 of this bill remove references in existing law to high-interest loans which charge an  
21 annual percentage rate of more than 40 percent.

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

1       **Section 1.** Chapter 597 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 11, inclusive, of this  
3 act.

4       **Sec. 2.** *As used in sections 2 to 11, inclusive, of this act,*  
5 *unless the context otherwise requires, the words and terms defined*  
6 *in sections 3 to 10, inclusive, of this act have the meanings*  
7 *ascribed to them in those sections.*

8       **Sec. 3.** *“Consumer” means a natural person who:*

9       1. *Resides or is domiciled in this State; or*

10       2. *Is a party to a legal action pending before a federal or state*  
11 *court located in this State.*

12       **Sec. 4.** 1. *“Legal action” means:*

13       (a) *A bona fide civil action or statutory or regulatory claim for*  
14 *which damages may be awarded to the claiming party; or*

15       (b) *A cause of action or legal claim upon which a civil action*  
16 *or statutory or regulatory claim described in paragraph (a) may be*  
17 *based.*

18       2. *The term includes, without limitation:*

19       (a) *Any settlement or negotiation toward a settlement of a civil*  
20 *action or statutory or regulatory claim described in paragraph (a)*  
21 *of subsection 1; or*

22       (b) *Any agreement or negotiations toward an agreement*  
23 *pursuant to which a civil action or statutory or regulatory claim*  
24 *based upon a cause of action described in paragraph (b) of*  
25 *subsection 1 would not be initiated.*

26       **Sec. 5.** *“Presettlement funding” means the money provided*  
27 *directly or indirectly to a consumer by a presettlement funding*  
28 *provider in a presettlement funding transaction.*

29       **Sec. 6.** *“Presettlement funding contract” means a written or*  
30 *oral agreement between a consumer and a presettlement funding*  
31 *provider that provides for a presettlement funding transaction.*

32       **Sec. 7.** 1. *“Presettlement funding provider” means a*  
33 *person who enters into a presettlement funding transaction with a*  
34 *consumer.*

35       2. *The term includes, without limitation:*

36       (a) *An affiliate or subsidiary of a presettlement funding*  
37 *provider;*

38       (b) *A person who buys a whole or partial interest in*  
39 *presettlement funding;*



1 (c) A person who acts as an agent to provide presettlement  
2 funding from a third party for a fee; and

3 (d) A person who acts as an agent for a third party in  
4 providing presettlement funding for a fee, regardless of whether  
5 approval or acceptance by the third party is necessary to create a  
6 legal obligation for the third party.

7 3. The term does not include an attorney who provides  
8 professional services to a consumer on a contingency basis in  
9 relation to the legal claim of the consumer.

10 **Sec. 8.** "Presettlement funding transaction" means a  
11 transaction in which:

12 1. A presettlement funding provider provides presettlement  
13 funding to a consumer; and

14 2. The consumer assigns, conveys or otherwise confers to the  
15 presettlement funding provider the right to receive the proceeds or  
16 part thereof, of the settlement, insurance payment, award of  
17 damages obtained in the legal action of the consumer or any other  
18 money expected as a result of the legal action of the consumer.

19 **Sec. 9.** "Regulation Z" means the federal regulations, as  
20 amended, 12 C.F.R. Part 226, adopted pursuant to the Truth in  
21 Lending Act and commonly known as Regulation Z.

22 **Sec. 10.** "Truth in Lending Act" means the federal Truth in  
23 Lending Act, as amended, 15 U.S.C. §§ 1601 et seq.

24 **Sec. 11.** 1. A presettlement funding provider shall not enter  
25 into a presettlement funding transaction with a consumer if the  
26 annual percentage rate charged by the presettlement funding  
27 provider is more than 36 percent.

28 2. For the purposes of this section, the annual percentage  
29 rate charged by the presettlement funding provider must be  
30 calculated in accordance with the Truth in Lending Act and  
31 Regulation Z.

32 3. A presettlement funding contract entered into in violation  
33 of this section is void.

34 **Sec. 12.** Chapter 604A of NRS is hereby amended by adding  
35 thereto a new section to read as follows:

36 A licensee shall not make a deferred deposit loan or title loan if  
37 the annual percentage rate charged by the licensee is more than  
38 36 percent.

39 **Sec. 13.** NRS 604A.015 is hereby amended to read as follows:  
40 604A.015 1. "Automated loan machine" means any machine  
41 or other device, regardless of the name given to it or the technology  
42 used, that:

43 (a) Is automated;

44 (b) Is designed or intended to allow a customer, without any  
45 additional assistance from another person, to receive or attempt to



1 receive a deferred deposit loan or ~~high-interest~~ title loan through  
2 the machine or other device; and

3 (c) Is set up, installed, operated or maintained by or on behalf of  
4 the person making the loan or any agent, affiliate or subsidiary of  
5 the person.

6 2. The term does not include any machine or other device used  
7 directly by a customer to access the Internet unless the machine or  
8 other device is made available to the customer by the person making  
9 the loan or any agent, affiliate or subsidiary of the person.

10 **Sec. 14.** NRS 604A.040 is hereby amended to read as follows:

11 604A.040 "Customer" means any person who receives or  
12 attempts to receive check-cashing services, deferred deposit loan  
13 services ~~[, high-interest loan services]~~ or title loan services from  
14 another person.

15 **Sec. 15.** NRS 604A.045 is hereby amended to read as follows:

16 604A.045 1. "Default" means the failure of a customer to:

17 (a) Make a scheduled payment on a loan on or before the due  
18 date for the payment under the terms of a lawful loan agreement that  
19 complies with the provisions of NRS 604A.501, subsection 2 of  
20 NRS 604A.5029 ~~[, NRS 604A.5037, subsection 2 of NRS~~  
21 ~~604A.5057]~~ or NRS 604A.5074, as applicable, and any grace period  
22 that complies with the provisions of NRS 604A.210; or

23 (b) Pay a loan in full on or before the expiration of the loan  
24 period as set forth in a lawful loan agreement that complies with the  
25 provisions of NRS 604A.501, subsection 2 of NRS 604A.5029 ~~[,~~  
26 ~~NRS 604A.5037, subsection 2 of NRS 604A.5057]~~ or NRS  
27 604A.5074, as applicable, and any grace period that complies with  
28 the provisions of NRS 604A.210.

29 2. A default occurs on the day immediately following the date  
30 of the customer's failure to perform as described in subsection 1.

31 **Sec. 16.** NRS 604A.070 is hereby amended to read as follows:

32 604A.070 1. "Grace period" means any period of deferment  
33 offered gratuitously by a licensee to a customer if the licensee  
34 complies with the provisions of NRS 604A.210.

35 2. The term does not include an extension of a loan that  
36 complies with the provisions of NRS 604A.501, subsection 2 of  
37 NRS 604A.5029 ~~[, NRS 604A.5037, subsection 2 of NRS~~  
38 ~~604A.5057]~~ or NRS 604A.5074, as applicable.

39 **Sec. 17.** NRS 604A.075 is hereby amended to read as follows:

40 604A.075 "Licensee" means any person who has been issued  
41 one or more licenses to operate a check-cashing service, deferred  
42 deposit loan service ~~[, high-interest loan service]~~ or title loan service  
43 pursuant to the provisions of this chapter.



1       **Sec. 18.** NRS 604A.080 is hereby amended to read as follows:  
2       604A.080 “Loan” means any deferred deposit loan ~~[, high-~~  
3 ~~interest loan]~~ or title loan, or any extension or repayment plan  
4 relating to such a loan, made at any location or through any method,  
5 including, without limitation, at a kiosk, through the Internet,  
6 through any telephone, facsimile machine or other  
7 telecommunication device or through any other machine, network,  
8 system, device or means.

9       **Sec. 19.** NRS 604A.210 is hereby amended to read as follows:  
10       604A.210 1. The provisions of this chapter do not prohibit a  
11 licensee from offering a customer a grace period on the repayment  
12 of a loan or an extension of a loan, except that the licensee shall not  
13 grant a grace period for the purpose of artificially increasing the  
14 amount which a customer would otherwise qualify to borrow.

15       2. Except in compliance with the provisions of NRS 604A.501,  
16 subsection 2 of NRS 604A.5029 ~~[, NRS 604A.5037, subsection 2 of~~  
17 ~~NRS 604A.5057]~~ or NRS 604A.5074, where they apply, a licensee  
18 shall not:

19       (a) Condition the granting of the grace period on the customer  
20 making any new loan agreement or adding any addendum or term to  
21 an existing loan agreement; or

22       (b) Charge the customer interest at a rate in excess of that  
23 described in the existing loan agreement.

24       **Sec. 20.** NRS 604A.250 is hereby amended to read as follows:

25       604A.250 The provisions of this chapter do not apply to:

26       1. Except as otherwise provided in NRS 604A.200, a person  
27 doing business pursuant to the authority of any law of this State or  
28 of the United States relating to banks, national banking associations,  
29 savings banks, trust companies, savings and loan associations, credit  
30 unions, mortgage brokers, mortgage bankers, thrift companies or  
31 insurance companies, including, without limitation, any affiliate  
32 or subsidiary of such a person regardless of whether the affiliate or  
33 subsidiary is a bank.

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

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

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

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

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



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

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

6 7. A pawnbroker, unless the pawnbroker operates a check-  
7 cashing service, deferred deposit loan service ~~[, high interest loan  
8 service]~~ or title loan service.

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

10 9. An employee benefit plan, as defined in 29 U.S.C. §  
11 1002(3), if the loan is made directly from money in the plan by the  
12 plan's trustee.

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

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

19 12. Any firm or corporation:

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

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

24 (c) Approved by the Department of Housing and Urban  
25 Development and the Department of Veterans Affairs.

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

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

30 15. A person who makes a refund anticipation loan, unless the  
31 person operates a check-cashing service, deferred deposit loan  
32 service ~~[, high interest loan service]~~ or title loan service.

33 16. A person who exclusively extends credit to any person who  
34 is not a resident of this State for any business, commercial or  
35 agricultural purpose that is located outside of this State.

36 **Sec. 21.** NRS 604A.400 is hereby amended to read as follows:

37 604A.400 1. A person, including, without limitation, a person  
38 licensed pursuant to chapter 675 of NRS, shall not operate a check-  
39 cashing service, deferred deposit loan service ~~[, high interest loan  
40 service]~~ or title loan service unless the person is licensed with the  
41 Commissioner pursuant to the provisions of this chapter.

42 2. A person must have a license regardless of the location or  
43 method that the person uses to operate such a service, including,  
44 without limitation, at a kiosk, through the Internet, through any  
45 telephone, facsimile machine or other telecommunication device or



1 through any other machine, network, system, device or means,  
2 except that the person shall not operate such a service through any  
3 automated loan machine in violation of the provisions of  
4 subsection 3.

5 3. A person shall not operate a deferred deposit loan service ~~for~~  
6 ~~high interest loan service~~ through any automated loan machine, and  
7 the Commissioner shall not issue a license that authorizes the  
8 licensee to conduct business through any automated loan machine.

9 4. Any person, and any member, officer, director, agent or  
10 employee thereof, who violates or participates in the violation of  
11 any provision of this section is guilty of a misdemeanor.

12 **Sec. 22.** NRS 604A.405 is hereby amended to read as follows:

13 604A.405 1. A licensee shall post in a conspicuous place in  
14 every location at which the licensee conducts business under his or  
15 her license:

16 (a) A notice that states the fees the licensee charges for  
17 providing check-cashing services, deferred deposit loan services ~~;~~  
18 ~~high interest loan services~~ or title loan services.

19 (b) A notice that states that if the customer defaults on a loan,  
20 the licensee must offer a repayment plan to the customer before the  
21 licensee commences any civil action or process of alternative  
22 dispute resolution or repossesses a vehicle.

23 (c) A notice that states a toll-free telephone number to the Office  
24 of the Commissioner to handle concerns or complaints of customers.

25 (d) A notice that states the process for filing a complaint with  
26 the Commissioner.

27 ↪ The Commissioner shall adopt regulations prescribing the form  
28 and size of the notices required by this subsection.

29 2. If a licensee offers loans to customers at a kiosk, through the  
30 Internet, through any telephone, facsimile machine or other  
31 telecommunication device or through any other machine, network,  
32 system, device or means, except for an automated loan machine  
33 prohibited by NRS 604A.400, the licensee shall, as appropriate to  
34 the location or method for making the loan, post in a conspicuous  
35 place where customers will see it before they enter into a loan, or  
36 disclose in an open and obvious manner to customers before they  
37 enter into a loan, a notice that states:

38 (a) The types of loans the licensee offers and the fees he or she  
39 charges for making each type of loan; and

40 (b) A list of the states where the licensee is licensed or  
41 authorized to conduct business from outside this State with  
42 customers located in this State.

43 3. A licensee who provides check-cashing services shall give  
44 written notice to each customer of the fees he or she charges for



1 cashing checks. The customer must sign the notice before the  
2 licensee provides the check-cashing service.

3 **Sec. 23.** NRS 604A.5018 is hereby amended to read as  
4 follows:

5 604A.5018 1. A licensee who operates a deferred deposit  
6 loan service shall not make more than one deferred deposit loan ~~[,]~~  
7 ~~or~~ single-advance, single-payment loan ~~[for high interest loan]~~ to the  
8 same customer at one time or before any outstanding balance is paid  
9 in full on an existing loan made by that licensee to the customer  
10 unless:

11 (a) The customer is seeking multiple loans that do not exceed  
12 the limits set forth in NRS 604A.5017 ; ~~[for 604A.5045, as~~  
13 ~~applicable;]~~

14 (b) The licensee charges the same or a lower fee or service  
15 charge per \$100 if it is a deferred deposit loan or single-advance,  
16 single-payment loan ~~[, or the same or a lower annual percentage rate~~  
17 ~~of interest if it is a high interest loan that is not a single-advance,~~  
18 ~~single-payment loan,]~~ for any additional loans as the licensee  
19 charged for the initial loan;

20 (c) Except for that part of the finance charge which consists of  
21 interest only, the licensee does not impose any other charge or fee to  
22 initiate any additional loans, except that a licensee who makes  
23 deferred deposit loans ~~[for high interest loans]~~ in accordance with the  
24 provisions of subsection 2 of NRS 604A.5029 ~~[for subsection 2 of~~  
25 ~~NRS 604A.5057, as applicable,]~~ may charge a reasonable fee for  
26 preparing documents in an amount that does not exceed \$50; and

27 (d) If the additional loans are deferred deposit loans and the  
28 customer provides one or more additional checks that are not paid  
29 upon presentation or one or more electronic transfers of money fail,  
30 the licensee does not charge any fees to the customer pursuant to  
31 NRS 604A.5031, except for the fees allowed pursuant to that section  
32 for the first check that is not paid upon presentment or electronic  
33 transfer of money that failed.

34 2. As used in this section, "single-advance, single-payment  
35 loan" means a transaction in which, pursuant to a loan agreement, a  
36 customer is given a single advance equal to the amount financed  
37 with payment in full due within 35 days after the date of the  
38 transaction.

39 **Sec. 24.** NRS 604A.5027 is hereby amended to read as  
40 follows:

41 604A.5027 1. Before a licensee who operates a deferred  
42 deposit loan service attempts to collect the outstanding balance on a  
43 deferred deposit loan in default by commencing any civil action or  
44 process of alternative dispute resolution, the licensee shall offer the





1 customer an opportunity to enter into a repayment plan. The  
2 licensee:

3 (a) Is required to make the offer available to the customer for a  
4 period of at least 30 days after the date of default; and

5 (b) Is not required to make such an offer more than once for  
6 each deferred deposit loan.

7 2. If a licensee who operates a deferred deposit loan service  
8 intends to commence any civil action or process of alternative  
9 dispute resolution in an effort to collect a defaulted deferred deposit  
10 loan, the licensee shall deliver to the customer, not later than 15  
11 days after the date of default, or not later than 5 days after a check is  
12 not paid upon presentment or an electronic transfer of money fails,  
13 whichever is later, written notice of the opportunity to enter into a  
14 repayment plan. The written notice must:

15 (a) Be in English, if the initial transaction was conducted in  
16 English, or in Spanish, if the initial transaction was conducted in  
17 Spanish;

18 (b) State the date by which the customer must act to enter into a  
19 repayment plan;

20 (c) Explain the procedures the customer must follow to enter  
21 into a repayment plan;

22 (d) If the licensee requires the customer to make an initial  
23 payment to enter into a repayment plan, explain the requirement and  
24 state the amount of the initial payment and the date the initial  
25 payment must be made;

26 (e) State that the customer has the opportunity to enter into a  
27 repayment plan with a term of at least 90 days after the date of  
28 default; and

29 (f) Include the following amounts:

30 (1) The total of payments or the remaining balance on the  
31 original deferred deposit loan;

32 (2) Any payments made on the deferred deposit loan;

33 (3) Any charges added to the deferred deposit loan amount  
34 allowed pursuant to the provisions of this chapter; and

35 (4) The total amount due if the customer enters into a  
36 repayment plan.

37 3. Under the terms of any repayment plan pursuant to this  
38 section:

39 (a) The customer must enter into the repayment plan not later  
40 than 30 days after the date of default, unless the licensee allows a  
41 longer period;

42 (b) The licensee must allow the period for repayment to extend  
43 at least 90 days after the date of default, unless the customer agrees  
44 to a shorter term;



1 (c) The licensee may require the customer to make an initial  
2 payment of not more than 20 percent of the total amount due under  
3 the terms of the repayment plan; and

4 (d) The licensee:

5 (1) May require a customer to provide, as security, one or  
6 more checks or written authorizations for an electronic transfer of  
7 money which equal the total amount due under the terms of the  
8 repayment plan;

9 (2) Shall, if the customer makes a payment in the amount of  
10 a check or written authorization taken as security for that payment,  
11 return to the customer the check or written authorization stamped  
12 "void" or destroy the check or written authorization; and

13 (3) Shall not charge any fee to the customer pursuant to NRS  
14 604A.5031 for a check which is provided as security during the  
15 repayment plan and which is not paid upon presentment if, in  
16 connection with that loan, the licensee has previously charged at  
17 least one such fee.

18 4. If the licensee and customer enter into a repayment plan  
19 pursuant to this section, the licensee shall honor the terms of the  
20 repayment plan, and the licensee shall not:

21 (a) Except as otherwise provided by this chapter, charge any  
22 other amount to a customer, including, without limitation, any  
23 amount or charge payable directly or indirectly by the customer and  
24 imposed directly or indirectly by the licensee as an incident to or as  
25 a condition of entering into a repayment plan. Such an amount  
26 includes, without limitation:

27 (1) Any interest, regardless of the name given to the interest,  
28 other than the interest charged pursuant to the original loan  
29 agreement at a rate which does not exceed the annual percentage  
30 rate charged during the term of the original loan agreement; or

31 (2) Any origination fees, set-up fees, collection fees,  
32 transaction fees, negotiation fees, handling fees, processing fees,  
33 late fees, default fees or any other fees, regardless of the name given  
34 to the fee;

35 (b) Except as otherwise provided in this section, accept any  
36 additional security or collateral from the customer to enter into the  
37 repayment plan;

38 (c) Sell to the customer any insurance or require the customer to  
39 purchase insurance or any other goods or services to enter into the  
40 repayment plan;

41 (d) Make any other loan to the customer, unless the customer is  
42 seeking multiple loans that do not exceed the limit set forth in NRS  
43 604A.5017; ~~for 604A.5045, as applicable;~~

44 (e) During the term of the repayment plan, attempt to collect the  
45 outstanding balance by commencing any civil action or process of



1 alternative dispute resolution, unless the customer defaults on the  
2 repayment plan; or

3 (f) Attempt to collect an amount that is greater than the amount  
4 owed under the terms of the repayment plan.

5 5. If the licensee and customer enter into a repayment plan  
6 pursuant to this section, the licensee shall:

7 (a) Prepare a written agreement establishing the repayment plan;  
8 and

9 (b) Give the customer a copy of the written agreement. The  
10 written agreement must:

11 (1) Be signed by the licensee and customer; and

12 (2) Contain all of the terms of the repayment plan, including,  
13 without limitation, the total amount due under the terms of the  
14 repayment plan.

15 6. Each time a customer who enters into a repayment plan  
16 pursuant to this section makes a payment pursuant to the repayment  
17 plan, the licensee shall give to the customer a receipt with the  
18 following information:

19 (a) The name and address of the licensee;

20 (b) The identification number assigned to the loan agreement or  
21 other information that identifies the loan;

22 (c) The date of the payment;

23 (d) The amount paid;

24 (e) The balance due on the loan or, when the customer makes  
25 the final payment, a statement that the loan is paid in full; and

26 (f) If more than one loan made by the licensee to the customer  
27 was outstanding at the time the payment was made, a statement  
28 indicating to which loan the payment was applied.

29 7. If a customer who enters into a repayment plan pursuant to  
30 this section defaults on the repayment plan, the licensee may, to  
31 collect the outstanding balance, commence any civil action or  
32 process of alternative dispute resolution as otherwise authorized  
33 pursuant to this chapter.

34 **Sec. 25.** NRS 604A.5029 is hereby amended to read as  
35 follows:

36 604A.5029 1. Except as otherwise provided in subsection 2,  
37 if a customer agrees in writing to establish or extend the period for  
38 the repayment, renewal, refinancing or consolidation of an  
39 outstanding deferred deposit loan by using the proceeds of a new  
40 deferred deposit loan ~~for high interest loan~~ to pay the balance of the  
41 outstanding deferred deposit loan, the licensee shall not establish or  
42 extend the period beyond 60 days after the expiration of the initial  
43 loan period. The licensee shall not add any unpaid interest or other  
44 charges accrued during the original term of the outstanding deferred  
45 deposit loan or any extension of the outstanding deferred deposit



1 loan to the principal amount of the new deferred deposit loan . ~~for~~  
2 ~~high interest loan.~~

3 2. This section does not apply to a new deferred deposit loan  
4 ~~for high interest loan~~ if the licensee:

5 (a) Makes the new deferred deposit loan ~~for high interest loan~~  
6 to a customer pursuant to a loan agreement which, under its original  
7 terms:

8 (1) Charges an annual percentage rate of less than ~~[200]~~ 36  
9 percent;

10 (2) Requires the customer to make a payment on the loan at  
11 least once every 30 days;

12 (3) Requires the loan to be paid in full in not less than 150  
13 days; and

14 (4) Provides that interest does not accrue on the loan at the  
15 annual percentage rate set forth in the loan agreement after the date  
16 of maturity of the loan;

17 (b) Performs a credit check of the customer with a major  
18 consumer reporting agency before making the loan;

19 (c) Reports information relating to the loan experience of the  
20 customer to a major consumer reporting agency;

21 (d) Gives the customer the right to rescind the new deferred  
22 deposit loan ~~for high interest loan~~ within 5 days after the loan is  
23 made without charging the customer any fee for rescinding the loan;

24 (e) Participates in good faith with a counseling agency that is:

25 (1) Accredited by the Council on Accreditation of Services  
26 for Families and Children, Inc., or its successor organization; and

27 (2) A member of the National Foundation for Credit  
28 Counseling, or its successor organization; and

29 (f) Does not commence any civil action or process of alternative  
30 dispute resolution on a defaulted loan or any extension or repayment  
31 plan thereof.

32 **Sec. 26.** NRS 604A.5083 is hereby amended to read as  
33 follows:

34 604A.5083 1. Before a licensee who operates a title loan  
35 service attempts to collect the outstanding balance on a title loan in  
36 default by commencing any civil action or process of alternative  
37 dispute resolution or repossessing a vehicle, the licensee shall offer  
38 the customer an opportunity to enter into a repayment plan. The  
39 licensee:

40 (a) Is required to make the offer available to the customer for a  
41 period of at least 30 days after the date of default; and

42 (b) Is not required to make such an offer more than once for  
43 each title loan.

44 2. If a licensee who operates a title loan service intends to  
45 commence any civil action or process of alternative dispute



1 resolution or repossess a vehicle in an effort to collect a defaulted  
2 title loan, the licensee shall deliver to the customer, not later than 15  
3 days after the date of default, or not later than 5 days after a check is  
4 not paid upon presentment or an electronic transfer of money fails,  
5 whichever is later, written notice of the opportunity to enter into a  
6 repayment plan. The written notice must:

7 (a) Be in English, if the initial transaction was conducted in  
8 English, or in Spanish, if the initial transaction was conducted in  
9 Spanish;

10 (b) State the date by which the customer must act to enter into a  
11 repayment plan;

12 (c) Explain the procedures the customer must follow to enter  
13 into a repayment plan;

14 (d) If the licensee requires the customer to make an initial  
15 payment to enter into a repayment plan, explain the requirement and  
16 state the amount of the initial payment and the date the initial  
17 payment must be made;

18 (e) State that the customer has the opportunity to enter into a  
19 repayment plan with a term of at least 90 days after the date of  
20 default; and

21 (f) Include the following amounts:

22 (1) The total of payments or the remaining balance on the  
23 original title loan;

24 (2) Any payments made on the title loan;

25 (3) Any charges added to the title loan amount allowed  
26 pursuant to the provisions of this chapter; and

27 (4) The total amount due if the customer enters into a  
28 repayment plan.

29 3. Under the terms of any repayment plan pursuant to this  
30 section:

31 (a) The customer must enter into the repayment plan not later  
32 than 30 days after the date of default, unless the licensee allows a  
33 longer period;

34 (b) The licensee must allow the period for repayment to extend  
35 at least 90 days after the date of default, unless the customer agrees  
36 to a shorter term; and

37 (c) The licensee may require the customer to make an initial  
38 payment of not more than 20 percent of the total amount due under  
39 the terms of the repayment plan.

40 4. If the licensee and customer enter into a repayment plan  
41 pursuant to this section, the licensee shall honor the terms of the  
42 repayment plan, and the licensee shall not:

43 (a) Except as otherwise provided by this chapter, charge any  
44 other amount to a customer, including, without limitation, any  
45 amount or charge payable directly or indirectly by the customer and



1 imposed directly or indirectly by the licensee as an incident to or as  
2 a condition of entering into a repayment plan. Such an amount  
3 includes, without limitation:

4 (1) Any interest, regardless of the name given to the interest,  
5 other than the interest charged pursuant to the original loan  
6 agreement at a rate which does not exceed the annual percentage  
7 rate charged during the term of the original loan agreement; or

8 (2) Any origination fees, set-up fees, collection fees,  
9 transaction fees, negotiation fees, handling fees, processing fees,  
10 late fees, default fees or any other fees, regardless of the name given  
11 to the fee;

12 (b) Except as otherwise provided in this section, accept any  
13 additional security or collateral from the customer to enter into the  
14 repayment plan;

15 (c) Sell to the customer any insurance or require the customer to  
16 purchase insurance or any other goods or services to enter into the  
17 repayment plan;

18 (d) Make any other loan to the customer, unless the customer is  
19 seeking multiple loans that do not exceed the limit set forth in NRS  
20 604A.5017 ; ~~for 604A.5045, as applicable.;~~

21 (e) During the term of the repayment plan, attempt to collect the  
22 outstanding balance by commencing any civil action or process of  
23 alternative dispute resolution or by repossessing a vehicle, unless  
24 the customer defaults on the repayment plan; or

25 (f) Attempt to collect an amount that is greater than the amount  
26 owed under the terms of the repayment plan.

27 5. If the licensee and customer enter into a repayment plan  
28 pursuant to this section, the licensee shall:

29 (a) Prepare a written agreement establishing the repayment plan;  
30 and

31 (b) Give the customer a copy of the written agreement. The  
32 written agreement must:

33 (1) Be signed by the licensee and customer; and

34 (2) Contain all of the terms of the repayment plan, including,  
35 without limitation, the total amount due under the terms of the  
36 repayment plan.

37 6. Each time a customer who enters into a repayment plan  
38 pursuant to this section makes a payment pursuant to the repayment  
39 plan, the licensee shall give to the customer a receipt with the  
40 following information:

41 (a) The name and address of the licensee;

42 (b) The identification number assigned to the loan agreement or  
43 other information that identifies the loan;

44 (c) The date of the payment;

45 (d) The amount paid;



1 (e) The balance due on the loan or, when the customer makes  
2 the final payment, a statement that the loan is paid in full; and

3 (f) If more than one loan made by the licensee to the customer  
4 was outstanding at the time the payment was made, a statement  
5 indicating to which loan the payment was applied.

6 7. If a customer who enters into a repayment plan pursuant to  
7 this section defaults on the repayment plan, the licensee may, to  
8 collect the outstanding balance, commence any civil action or  
9 process of alternative dispute resolution or repossess a vehicle as  
10 otherwise authorized pursuant to this chapter.

11 **Sec. 27.** NRS 604A.515 is hereby amended to read as follows:

12 604A.515 1. In addition to the requirements of any other  
13 provision of this chapter, or any applicable law or regulation of this  
14 State or federal law or regulation, a licensee who has been issued  
15 one or more licenses to operate a deferred deposit loan service ~~or~~  
16 ~~high-interest loan service~~ or title loan service pursuant to this  
17 chapter shall comply with the provisions of NRS 604A.510 to  
18 604A.598, inclusive.

19 2. The provisions of NRS 604A.510 to 604A.598, inclusive, do  
20 not apply to the operation of a check-cashing service licensed  
21 pursuant to this chapter.

22 **Sec. 28.** NRS 604A.655 is hereby amended to read as follows:

23 604A.655 1. Except as otherwise provided in this section, a  
24 licensee may not conduct the business of making loans within any  
25 office, suite, room or place of business in which any other lending  
26 business is solicited or engaged in, except an insurance agency or  
27 notary public, or in association or conjunction with any other  
28 business, unless authority to do so is given by the Commissioner.

29 2. A licensee may conduct the business of making loans in the  
30 same office or place of business as:

31 (a) A mortgage broker if:

32 (1) The licensee and the mortgage broker:

33 (I) Maintain separate accounts, books and records;

34 (II) Are subsidiaries of the same parent corporation; and

35 (III) Maintain separate licenses; and

36 (2) The mortgage broker is licensed by this State pursuant to  
37 chapter 645B of NRS and does not receive money to acquire or  
38 repay loans or maintain trust accounts as provided by  
39 NRS 645B.175.

40 (b) A mortgage banker if:

41 (1) The licensee and the mortgage banker:

42 (I) Maintain separate accounts, books and records;

43 (II) Are subsidiaries of the same parent corporation; and

44 (III) Maintain separate licenses; and



1 (2) The mortgage banker is licensed by this State pursuant to  
2 chapter 645E of NRS and, if the mortgage banker is also licensed as  
3 a mortgage broker pursuant to chapter 645B of NRS, does not  
4 receive money to acquire or repay loans or maintain trust accounts  
5 as provided by NRS 645B.175.

6 3. If a pawnbroker is licensed to operate a check-cashing  
7 service, deferred deposit loan service ~~[, high interest loan service]~~ or  
8 title loan service, the pawnbroker may operate that service at the  
9 same office or place of business from which he or she conducts  
10 business as a pawnbroker pursuant to chapter 646 of NRS.

11 **Sec. 29.** NRS 604A.710 is hereby amended to read as follows:

12 604A.710 1. For the purpose of discovering violations of this  
13 chapter or securing information lawfully required under this chapter,  
14 the Commissioner or his or her duly authorized representatives may  
15 at any time investigate the business and examine the books,  
16 accounts, papers and records used therein of:

17 (a) Any licensee;

18 (b) Any other person engaged in the business of making loans or  
19 participating in such business as principal, agent, broker or  
20 otherwise;

21 (c) Any registered agent who represents a licensee or any other  
22 person engaged in the business of making loans; and

23 (d) Any person who the Commissioner has reasonable cause to  
24 believe is violating or is about to violate any provision of this  
25 chapter, whether or not the person claims to be within the authority  
26 or beyond the scope of this chapter.

27 2. For the purpose of examination, the Commissioner or his or  
28 her authorized representatives shall have and be given free access to  
29 the offices and places of business, and the files, safes and vaults of  
30 such persons.

31 3. The investigation of a registered agent pursuant to  
32 subsection 1, including, without limitation, any books, accounts,  
33 papers and records used therein, must be kept confidential except to  
34 the extent necessary to enforce any provision of this chapter.

35 4. For the purposes of this section, any person who advertises  
36 for, solicits or holds himself or herself out as willing to make any  
37 deferred deposit loan ~~[, high interest loan]~~ or title loan is presumed  
38 to be engaged in the business of making loans.

39 5. This section does not entitle the Commissioner or his or her  
40 authorized representatives to investigate the business or examine the  
41 books, accounts, papers and records of any attorney who is not a  
42 person described in paragraph (a), (b) or (d) of subsection 1, other  
43 than examination of those books, accounts, papers and records  
44 maintained by such attorney in his or her capacity as a registered  
45 agent, and then only to the extent such books, accounts, papers and





1 records are not subject to any privilege in NRS 49.035 to 49.115,  
2 inclusive.

3 **Sec. 30.** NRS 604A.920 is hereby amended to read as follows:  
4 604A.920 If a person operates a check-cashing service,  
5 deferred deposit loan service [~~high interest loan service~~] or title  
6 loan service without obtaining a license pursuant to this chapter:

7 1. Any contracts entered into by that person for the cashing of  
8 a check or for a deferred deposit loan [~~high interest loan~~] or title  
9 loan are voidable by the other party to the contract; and

10 2. In addition to any other remedy or penalty, the other party to  
11 the contract may bring a civil action against the person pursuant to  
12 NRS 604A.930.

13 **Sec. 31.** NRS 604A.930 is hereby amended to read as follows:

14 604A.930 1. Subject to the affirmative defense set forth in  
15 subsection 3, in addition to any other remedy or penalty, if a person  
16 violates any provision of NRS 604A.400, *section 12 of this act*,  
17 604A.411, 604A.5011 to 604A.5034, inclusive, and [~~604A.5038~~]  
18 ~~604A.5065~~ to 604A.5094, inclusive, 604A.610, 604A.615,  
19 604A.650 or 604A.655 or any regulation adopted pursuant thereto,  
20 the customer may bring a civil action against the person for:

21 (a) Actual and consequential damages;  
22 (b) Punitive damages, which are subject to the provisions of  
23 NRS 42.005;

24 (c) Reasonable attorney's fees and costs; and

25 (d) Any other legal or equitable relief that the court deems  
26 appropriate.

27 2. Subject to the affirmative defense set forth in subsection 3,  
28 in addition to any other remedy or penalty, the customer may bring a  
29 civil action against a person pursuant to subsection 1 to recover an  
30 additional amount, as statutory damages, which is equal to \$1,000  
31 for each violation if the person knowingly:

32 (a) Operates a check-cashing service, deferred deposit loan  
33 service [~~high interest loan service~~] or title loan service without a  
34 license, in violation of NRS 604A.400;

35 (b) Fails to include in a loan agreement a disclosure of the right  
36 of the customer to rescind the loan, in violation of NRS 604A.5012  
37 [~~604A.504~~] or 604A.5067, as applicable;

38 (c) Violates any provision of NRS 604A.5015, [~~604A.5043~~],  
39 604A.507 or 604A.509, as applicable;

40 (d) Accepts collateral or security for a deferred deposit loan, in  
41 violation of NRS 604A.502, except that a check or written  
42 authorization for an electronic transfer of money shall not be  
43 deemed to be collateral or security for a deferred deposit loan;

44 (e) Uses or threatens to use the criminal process in this State or  
45 any other state to collect on a loan made to the customer, in



1 violation of NRS 604A.5021 ~~[, 604A.5049]~~ or 604A.5072, as  
2 applicable;

3 (f) Includes in any written agreement a promise by the customer  
4 to hold the person harmless, a confession of judgment by the  
5 customer or an assignment or order for the payment of wages or  
6 other compensation due the customer, in violation of NRS  
7 604A.5021, ~~[604A.5049,]~~ 604A.5072 or 604A.5092, as applicable;

8 (g) Violates any provision of NRS 604A.503 ~~[, 604A.5058]~~ or  
9 604A.5085, as applicable;

10 (h) Violates any provision of NRS 604A.5031, ~~[604A.5061,]~~  
11 604A.5086 or 604A.5094, as applicable; or

12 (i) Violates any provision of NRS 604A.411.

13 3. A person may not be held liable in any civil action brought  
14 pursuant to this section if the person proves, by a preponderance of  
15 evidence, that the violation:

16 (a) Was not intentional;

17 (b) Was technical in nature; and

18 (c) Resulted from a bona fide error, notwithstanding the  
19 maintenance of procedures reasonably adapted to avoid any such  
20 error.

21 4. For the purposes of subsection 3, a bona fide error includes,  
22 without limitation, clerical errors, calculation errors, computer  
23 malfunction and programming errors and printing errors, except that  
24 an error of legal judgment with respect to the person's obligations  
25 under this chapter is not a bona fide error.

26 **Sec. 32.** NRS 675.060 is hereby amended to read as follows:

27 675.060 1. No person may engage in the business of lending  
28 in this State without first having obtained a license from the  
29 Commissioner pursuant to this chapter for each office or other place  
30 of business at which the person engages in such business, except  
31 that if a person intends to engage in the business of lending in this  
32 State as a deferred deposit loan service ~~[, high-interest loan service]~~  
33 or title loan service, as those terms are defined in chapter 604A of  
34 NRS, the person must obtain a license from the Commissioner  
35 pursuant to chapter 604A of NRS before the person may engage in  
36 any such business.

37 2. For the purpose of this section, a person engages in the  
38 business of lending in this State if he or she:

39 (a) Solicits loans in this State or makes loans to persons in this  
40 State, unless these are isolated, incidental or occasional transactions;  
41 or

42 (b) Is located in this State and solicits loans outside of this State  
43 or makes loans to persons located outside of this State, unless these  
44 are isolated, incidental or occasional transactions.



1     **Sec. 33.** The amendatory provisions of this act do not apply to  
2 any contract entered into before October 1, 2019, until the contract  
3 is extended or renewed.

4     **Sec. 34.** NRS 604A.0703, 604A.0705, 604A.5035,  
5 604A.5037, 604A.5038, 604A.504, 604A.5041, 604A.5043,  
6 604A.5045, 604A.5046, 604A.5048, 604A.5049, 604A.505,  
7 604A.5052, 604A.5053, 604A.5055, 604A.5057, 604A.5058,  
8 604A.506, 604A.5061, 604A.5063, 604A.5064, 604A.580,  
9 604A.581, 604A.582, 604A.583, 604A.584, 604A.585, 604A.586,  
10 604A.587, 604A.588 and 604A.589 are hereby repealed.

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**LEADLINES OF REPEALED SECTIONS**

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**604A.0703** “High-interest loan” defined.

**604A.0705** “High-interest loan service” defined.

**604A.5035** Determination of whether loan is high-interest loan.

**604A.5037** Limitations on original term.

**604A.5038** Licensee required to make determination of ability of customer to repay loan and compliance of loan with certain requirements before making loan.

**604A.504** Written loan agreement required; contents.

**604A.5041** Requirements for collection of defaulted loan; civil action to collect debt; venue.

**604A.5043** Practices regarding customers who are members of military.

**604A.5045** Limitation regarding amount of loan.

**604A.5046** Prohibited acts by licensee regarding multiple loans to same customer.

**604A.5048** Prohibited acts by licensee: Accepting collateral or other types of security; failing to make certain disclosures; taking incomplete instruments; requiring the purchase of insurance or other goods or services; failing to comply with payment plan; charging fee to cash certain checks.

**604A.5049** Prohibited acts by licensee: Improper lending and collection practices; deceptive trade practices; false, misleading and deceptive advertising; reinitiating certain transactions; using agent, affiliate or subsidiary to avoid requirements or prohibitions of chapter.

**604A.505** Rescission of loan by customer.

**604A.5052** Payment of loan in full.

**604A.5053** Partial payment on loan.



**604A.5055 Repayment plan.**

**604A.5057 Limitations on using proceeds of new deferred deposit loan or high-interest loan to pay balance of outstanding high-interest loan; exceptions.**

**604A.5058 Limitations on amounts licensee may collect after default.**

**604A.506 Limitations on fees licensees may charge after default on installment payments.**

**604A.5061 Limitations on fees licensee may collect for check not paid upon presentment or failure of electronic transfer of money; standards for civil liability and criminal prosecution.**

**604A.5063 Receipt required for each payment by customer; contents.**

**604A.5064 Requirements regarding person acting as agent or assisting in making loan.**

**604A.580 Required disclosures.**

**604A.581 Prohibited fees.**

**604A.582 Prohibited advertisements.**

**604A.583 Required notices.**

**604A.584 Limitations on extended term of loans.**

**604A.585 Rescission of loan by customer.**

**604A.586 Collection of past due accounts; prohibited acts.**

**604A.587 Reporting violations of chapter.**

**604A.588 Certain licensees required to offer repayment plan.**

**604A.589 Licensee offering services through Internet website required to comply with applicable laws.**

