

STATE OF NEVADA



JOE LOMBARDO
Governor

DEPARTMENT OF BUSINESS AND INDUSTRY

TERRY REYNOLDS
Director

FINANCIAL INSTITUTIONS DIVISION

SANDY O'LAUGHLIN
Commissioner

DATE: October 16, 2023
TO: Whom It May Concern
FROM: Mary Young
Deputy Commissioner

The State of Nevada, Department of Business and Industry, Financial Institutions Division (Division) is providing the enclosed Notice of Workshop to Solicit Comment on Proposed Regulations pertaining to NRS 649 as amended by Senate Bill 276 (S.B.276) – Collection Agencies / Debt Buyers from the 2023 Legislative Session.

The regulation included in this memorandum is being proposed for permanent adoption. In order to review the proposed regulation and solicit comments from interested persons, a workshop will be held via Webex conference at 10:00 a.m. on Thursday, November 2, 2023, and for those wish to participate in-person, at the Nevada State Business Center.

Enclosures:

Notice of Workshop and Workshop Agenda
Proposed Regulation
Small Business Impact Statement
Enrolled Version S.B.276

NOTICE OF WORKSHOP
TO SOLICIT COMMENTS ON PROPOSED REGULATIONS PERTAINING TO
SENATE BILL 276 (S.B.276) – COLLECTION AGENCIES/DEBT BUYERS AND
WORKSHOP AGENDA

The State of Nevada, Financial Institutions Division (“Division”), 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 is proposing the adoption of regulations to Chapter 649 of the Nevada Administrative Code (“NAC”). The proposed regulations are required as a result of the passage of Senate Bill 276 (S.B.276) during the 82nd Session of the Nevada Legislature. This workshop will be conducted in accordance with NRS 233B.061 and the purpose is to solicit comments from interested persons on the proposed regulations to be held through videoconference, teleconference, and in-person:

Date: Thursday, November 2, 2023

Time: 10:00 a.m.

To join by Webex, join the Webex meeting by clicking on the link below:

<https://businessnv2.webex.com/businessnv2/j.php?MTID=m26cff3e5967bfa70c8a46eedeca32e04>

Meeting number (access code): 2489 216 8010

Meeting password: SB276

To join by telephone, call the toll-free number:

1-844-621-3956 United States Toll-Free

For those wishing to participate in-person, the following physical location is being made available:

Nevada State Business Center
Nevada Room, 4th Floor
3300 W. Sahara, Avenue
Las Vegas, Nevada 89102

Below is an agenda of all items scheduled to be considered. Persons who may be subject to the provisions of the new law regarding collection agencies and debt buyers should attend. At the discretion of the Commissioner, public comment may be limited to three minutes per person. Members of the public are encouraged to submit written comments for the record no later than **October 26, 2023**. Written comment can be submitted to the Division by email: fidmaster@fid.state.nv.us or by mail: 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102.

A copy of all materials relating to the proposal may be obtained by visiting the Division's website at: <http://fid.nv.gov> or by contacting the Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120. Members of the public who would like additional information about a proposed regulation may contact Mary Young, Deputy Commissioner, at (702) 486-4120, or via e-mail to fidmaster@fid.state.nv.us

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation in writing no later than five (5) working days before the workshop via email to fidmaster@fid.state.nv.us

WORKSHOP AGENDA:

1. Open Workshop
2. Public Comment
3. Presentation of Proposed Regulation to amend NAC 649 regarding Collection Agencies and Debt Buyers- NRS 649 as amended by S.B. 276 (2023 Legislative Session). -**FOR DISCUSSION AND POSSIBLE ACTION**
4. Public Comment
5. Close Workshop

PROPOSED REGULATIONS:

See attached.

NOTICE OF THE WORKSHOP HAS BEEN PROVIDED AS FOLLOWS:

By email to all persons on the Division's email list for noticing of administrative regulations.

By email to all licensees under NRS 649.

Posted at the Division's principal office/in-person physical location- 3300 W. Sahara, Ave. Las Vegas, Nevada 89102

Posted online to the Nevada Legislature website: <https://www.leg.state.nv.us/App/Notice/A/>

Posted online to the State of Nevada Public Notice website: <https://notice.nv.gov>

Posted online to the Division's website: <https://fid.nv.gov>

DRAFT PROPOSED REGULATION OF THE

COMMISSIONER OF THE FINANCIAL INSTITUTIONS DIVISION (“Division”)

The following document is the initial draft regulation proposed by the Division. The Division solicited comments from the industry on the proposed regulations pursuant to NRS 233B.0608(1) to determine whether the regulations would likely impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. The Division considered all comments and addressed the industry’s biggest concern, which was the increase in licensing, certificates, and application fees. The Division revised the fee sections to lessen the financial burden.

The revisions and/or omissions are in the following proposed regulations.

Purpose: To adopt regulations under the Nevada Administrative Code to implement Senate Bill No. 276 (2023), which amends Nevada Revised Statutes Chapter 649 by adding provisions related to debt buyers.

Authority: NRS 649.053

Explanation: Material in *blue bold italics* is new language; material in ~~bold brackets~~ is to be omitted from current regulation. All comments received from the small business impact notice were considered but not all could be addressed. The matters addressed are referenced in this draft as *italics* for revised and matters in brackets ~~omitted material~~ is language to be omitted.

Section 1. *Chapter 649 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 31, inclusive, of this regulation.*

Sec. 2. *NAC 649.010 Definitions. As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 649.013 to 649. ____, inclusive have the meanings ascribed to them in those sections and sections 2 through 5 of Senate Bill No. 276 and sections 3 and 4 of this chapter.*

Sec. 3. *“Principal place of business” means the physical location where the compliance manager, officers and senior management direct the collection agency business, oversee the day-to-day operations of the collection agency, and all books and records are maintained.*

Sec. 4. *“Affiliate” used in this chapter and Senate Bill 276, has the meaning ascribed to it in NRS 649.375 (2)(a).*

Sec. 5. ~~[NAC 649.017 “Foreign collection agency” defined. (NRS 649.053) “Foreign collection agency” means a person or entity which holds a certificate of registration pursuant to NRS 649.171.]~~

Sec. 6. NAC 649.076 Examination, investigation and audit of ~~[foreign]~~ collection agencies. (NRS 649.053, ~~[649.171]~~)

1. A ~~[foreign]~~ collection agency shall allow the examination, investigation or audit of any accounts, books and records by the Commissioner of Financial Institutions at any time. The Commissioner may revoke the ~~[certificate] license~~ of a ~~[foreign]~~ collection agency that does not allow him or her to conduct an examination, investigation or audit of any accounts, books and records.

2. In addition to all fees required by this chapter and [chapter 649](#) of NRS, a ~~[foreign]~~ collection agency shall pay the *reasonable expenses for travel, meals and lodging* ~~[for the actual costs]~~ for travel in connection with any examination, investigation or audit *made at an office or principal place of business located outside this State* conducted by the Commissioner.

Sec. 7. NAC 649.081 Preparation and submission of trust account statements and reports of financial standing. (NRS 649.053, 649.056, ~~[649.171,]~~ 649.345) Each collection agency ~~and~~ ~~[foreign collection agency]~~ shall provide to the Commissioner of Financial Institutions, annually and before renewal of its license ~~[or certificate, as applicable]~~, a copy of all trust account statements, *as applicable*, and a report of its financial standing which must be prepared by a licensed certified public accountant who is in good standing in the state where the report is prepared.

~~Sec. 8. [NAC 649.086—Public inspection of written instruments filed with Division of Financial Institutions. (NRS 649.053, 649.065)—Except as otherwise provided in NAC 649.310 or by specific statute, all papers, documents, reports and other written instruments filed with the Division of Financial Institutions of the Department of Business and Industry pursuant to this chapter and chapter 649 of NRS are open to public inspection unless the Commissioner of Financial Institutions determines that the information is required to be withheld to protect the public welfare or the welfare of a collection agency, foreign collection agency or manager, as applicable.]~~

Sec.9. NAC 649.120 Collection agencies: Fees. (NRS 649.053, 649.295)

1. An application for licensure as a collection agency must be accompanied by a nonrefundable application fee of ~~[\$375] [\$500]~~ \$375

2. The applicant must pay an additional application fee of ~~[\$300] [\$600]~~ \$300 for each ~~[original]~~ license issued. ~~[, of which not more than \$150 may be refunded by the Commissioner of Financial Institutions on a prorated basis if:~~

~~—(a) The applicant withdraws his or her application before the Commissioner takes action on the application;~~

~~—(b) The Commissioner deems the application withdrawn pursuant to NRS 649.196 because the applicant did not submit all required information and fees within the time specified; or~~

~~—(c) The licensee surrenders his or her license during his or her first year of licensure.]~~

3. A collection agency shall pay *a license renewal fee of* \$375 ~~[\$500]~~ ~~[the following fees:~~

~~—(a) To renew a license, \$375;~~

~~—(b) For a duplicate license or a license for a transfer of location, \$15;~~

~~—(c) For each application for a permit to operate a branch office of a licensed collection agency, \$190; and~~

~~—(d) To renew a permit to operate a branch office of a licensed collection agency, \$150.]~~

~~Sec. 10. [NAC 649.130—Branch offices: Filing and contents of application for permit to operate. (NRS 649.053, 649.167)—An application for a permit to operate a branch office must be filed with the Commissioner of Financial Institutions on a form provided by the Commissioner. The application must contain:~~

~~—1. The information required by subsection 2 of NRS 649.095 for an application for a license;~~

~~—2. The number of the account maintained pursuant to subsection 2 of NRS 649.355, and the name and address of the bank where the account is maintained; and~~

~~—3. Proof that the manager named in the application holds a current manager's certificate issued by the Commissioner of Financial Institutions.]~~

~~Sec. 11. [NAC 649.140—Branch offices: Appointment of Commissioner of Financial Institutions as agent for service of process. (NRS 649.053, 649.167)~~

~~—1. The Commissioner of Financial Institutions will not issue a permit to operate a branch office for which the manager is not a resident of this State until the manager has appointed in writing the Commissioner to be his or her agent, in any action or proceeding against him or her concerning chapter 649 of NRS, upon whom all process may be served. In this writing, the manager must agree that any process against the manager which is served on the Commissioner is of the same legal validity as if it had been served on him or her and state that the appointment continues in force as long as any liability remains outstanding against him or her in this State. The appointment must contain a stipulation agreeing to venue for any proceeding concerning chapter 649 of NRS in any judicial or administrative district in~~

~~this State without regard to the location of the residence of the manager or the principal place of business of the collection agency. The appointment must be acknowledged before an officer authorized to take acknowledgments of deeds and must be filed in the office of the Commissioner. A copy of the appointment which is certified by the Commissioner is sufficient evidence of the appointment and agreement.~~

~~— 2. — When any process is served upon the Commissioner pursuant to this section, the Commissioner shall mail the process by certified mail to the last known address of the manager. Service is complete upon the mailing. The manner of serving process described in this subsection does not affect the validity of any other service authorized by law.]~~

Sec. 12. NAC 649.151 *Compliance* Managers: Fees. ([NRS 649.053](#), [649.205](#), [649.295](#))

1. An application for a *compliance* manager's certificate must be accompanied by:
 - (a) A nonrefundable fee of ~~[\$190] [\$500];~~ \$300; and
 - (b) A nonrefundable investigation fee of ~~[\$115]-~~ \$150
2. An applicant must pay an additional application fee of ~~[\$30] [\$40]~~ \$35 for issuance of the certificate.
3. The annual renewal fee for a *compliance* manager's certificate is ~~[\$30.] [\$40]~~ \$35
4. For each *compliance* manager's certificate that is reinstated, the holder of the certificate shall pay a fee of ~~[\$45.] [\$60]~~ \$50.
5. An applicant who does not pass the examination and wishes to reapply must pay a reexamination fee of \$100 for each subsequent examination.

Sec. 13. ~~[NAC 649.160—Foreign collection agencies: Fees; reinstatement of expired or revoked certificate; transferability of certificate. ([NRS 649.053](#), [649.171](#))~~

~~—1.—An application for a certificate of registration as a foreign collection agency must be accompanied by an application fee of \$500. The Commissioner of Financial Institutions may refund not more than \$300 of the fee on a prorated basis if:~~

~~—(a) The applicant withdraws his or her application before the Commissioner takes action on the application;~~

~~—(b) The Commissioner withdraws the application because the applicant did not submit all information and fees within the time specified; or~~

~~—(c) The foreign collection agency surrenders its certificate of registration during its first year of registration.~~

~~—2.—The holder of a certificate of registration as a foreign collection agency must pay a fee of \$200 to renew the certificate of registration.~~

~~—3.—A certificate of registration as a foreign collection agency must not be reinstated after it expires or has been revoked by the Commissioner.~~

~~—4.—A certificate of registration as a foreign collection agency is not transferable.]~~

Sec. 14. NAC 649.210 Responsibilities. ([NRS 649.053](#), [649.056](#), [649.305](#))

1. The person who holds a valid *compliance* manager's certificate and who is the designated *compliance* manager of a collection agency must have direct supervisory responsibility for employees who engage in collections in this State and must participate in the actual *oversight and compliance* ~~[management, operation and administration]~~ of the licensed agency.

2. The *compliance* manager must be available in person at the *principal place of* business ~~[address]~~ of the agency in order to perform his or her required functions and duties.

Sec.15. NAC 649.220 Restrictions on service for multiple agencies. ([NRS 649.053](#), [649.056](#))

1. No person may serve as *compliance* manager of more than one primary collection agency at the same time.

2. No person may serve as *compliance* manager of more than one secondary collection agency at the same time.

3. *Except as otherwise provided in subsection 2 of section 30 of Senate Bill 276, ~~AA~~* at the discretion of the Commissioner of Financial Institutions, upon application and his or her written approval first obtained, a *compliance* manager of a collection agency may serve as *compliance* manager of one primary collection agency and one secondary collection agency at the same time.

4. The approval may be revoked by the Commissioner at any time, if he or she finds that:

(a) Confusion may exist in the mind of the public in dealing with the collection agencies having common management.

(b) The various business functions of the collection agencies operating under common management are likely to be or are being merged or commingled, or are otherwise being conducted, in the Commissioner's opinion, in a manner which may be deleterious or damaging to the best interests of the public or the collection agency industry.

(c) Improper or abusive collection methods are being used by either or both of the collection agencies operating under common management.

(d) Either or both of the collection agencies operating under common management are not conducting their affairs in compliance with [chapter 649](#) of NRS or any of the regulations of the Commissioner adopted under that chapter.

(e) Insufficient time is being devoted by the manager to the affairs of one or the other collection agencies operating under common management.

Sec. 16. NAC 649.230 Notification of change of employment. ([NRS 649.053](#), [649.056](#))

Each *compliance* manager holding a manager's certificate issued pursuant to [chapter 649](#) of NRS shall notify the Commissioner of Financial Institutions in writing of any change of employment within 10 days after the change.

Sec. 17. NAC 649.260 Use of fictitious names. ([NRS 649.053](#), [649.056](#), [649.365](#))

1. A collection agency, or its *compliance* manager, agents or employees, shall not use a fictitious name in the collection of a debt unless that name has been filed with the Commissioner of Financial Institutions on a form provided by the Commissioner.

2. A *compliance* manager, agent or employee who has filed for the use of a fictitious name shall not use that fictitious name in association with another collection agency unless the Commissioner of Financial Institutions has been notified in writing of the change in association.

~~— [3. The Commissioner of Financial Institutions shall, within 5 days after receiving a form or notice pursuant to this section, acknowledge its receipt.]~~

Sec.18. NAC 649.270 Depositories used for maintenance of certain separate accounts. ([NRS 649.053](#), [649.056](#), [649.355](#)) Each bank or credit union in which a collection agency maintains a separate account for purposes of [NRS 649.355](#) must be insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund or a private insurer approved pursuant to ~~[NRS 678.755]~~ [NRS 672.755](#).

Sec. 19. NAC 649.310 Failure to file verified answer to complaint; confidentiality of complaint and certain related information. ([NRS 649.053](#), [649.067](#), [649.385](#))

1. If a collection agency, ~~[foreign collection agency]~~ or person with a *compliance* manager's certificate, or an authorized representative of that collection agency ~~[foreign collection agency or manager,]~~ fails to file a verified answer to a complaint within the time prescribed by the Commissioner of Financial Institutions pursuant to [NRS 649.385](#), the collection agency, ~~[foreign collection agency]~~ person with a *compliance* manager's certificate, or manager is deemed to have admitted to the allegations contained in the complaint.

2. Subject to the discretion of the Commissioner and except as otherwise provided in [NRS 649.067](#) or other specific statute, a complaint filed with the Division of Financial Institutions of

the Department of Business and Industry, any documents filed with the complaint, and any report or information resulting from an investigation of a complaint are confidential.

Sec. 20. NAC 649.320 Revocation or suspension of license: Violation of certain provisions of federal law. ([NRS 649.053](#), [649.395](#)) The Commissioner of Financial Institutions will consider a violation by any collection agency, *compliance manager* or collection agent of any of the provisions of 15 U.S.C. §§ 1692b to 1692j, inclusive, as those sections existed on July 1, 1986, to be an act or omission inconsistent with the faithful discharge of the duties or obligations of a collection agency, *compliance manager* or collection agent and grounds for the suspension or revocation of the license of the collection agency, *compliance manager* or collection agent.

Sec. 21. NAC 649.330 Revocation or suspension of license or certificate: Violation of certain regulations or statutes; procedures. ([NRS 649.053](#), ~~[649.171](#)~~, [649.215](#), [649.395](#)) The Commissioner of Financial Institutions may revoke or suspend the license of a collection agency ~~[,the certificate of registration of a foreign collection agency]~~ or a *compliance manager*'s certificate if the collection agency, ~~[foreign collection agency]~~ or *compliance manager* violates any provision of this chapter or *chapter 649 of NRS* ~~[NRS 649.305 to 649.375, inclusive]~~, including, without limitation, a provision that imposes a fee or assessment. A revocation or suspension of a license or certificate must be made in accordance with the procedures set forth in [chapter 649](#) of NRS.

Sec. 22. NAC 649.340 Fine for failure to submit required report. ([NRS 649.053](#), [649.297](#)) The holder of a license or a *compliance manager*'s certificate who fails to submit a report required pursuant to this chapter or [chapter 649](#) of NRS on or before the applicable due date for the report will be fined \$10 per day until the report is properly submitted to the Commissioner of Financial Institutions.

Sec. 23. *For purposes of section 7 of Senate Bill 276, upon request from the Office of the Commissioner, the collection agency shall provide to the Division the signed agreement, the training program provided to the collection agent, including the dates the collection agent received the training, the dates the collection agent received direct oversight and mentoring from a supervisor, and the date the collection agent begun working from a remote location.*

Sec. 24. *Upon request from the Office of the Commissioner, the collection agency shall provide to the Division, its documented plan, policies and procedures for compliance with section 8 and 9 of Senate Bill 276.*

Sec. 25. *Upon request from the Office of the Commissioner, the collection agency shall provide to the Division, any recorded telephone calls, including the record of collection agents who are authorized to work from a remote location with the information required in section 10 subsection 4 of Senate Bill 276.*

Sec. 26. *The physical principal place of business of a licensee must be located in the United States and comply with NAC 649.250.*

Sec. 27. *A collection agent of a licensee working from a remote location must be located in the United States.*

Sec. 28. *For the purposes of section 26.5 subsection 4 of Senate Bill 276, the certifications must be valid and satisfactory to the Commissioner in order for the Commissioner to waive the compliance manager examination.*

Sec. 29. *The Commissioner may request any information or documentation deemed necessary to perform an examination or investigation of an applicant, licensee or certificate holder.*

Sec. 30. *For the purposes of section 6 and 49 of Senate Bill 276, the unique identifier license number and certificate numbers shall be posted on the home page of the collection agencies*

website or on a page that is clearly and conspicuously connected to the home page by a link that clearly reveals its contents.

Sec. 31. 1. *For the purposes of section 18 subsection 4 of Senate Bill 276:*

- (a) Subject to subsection (b) of this section, a licensed debt buyer may share a single license with affiliated debt buyers, if those affiliates are passive debt buyers and do not employ persons to collect claims.*
- (b) A licensee must receive prior approval from the Division to add any such affiliate to its license.*
- (c) A licensee must submit a listing of its affiliated companies with the annual report of conditions due on April 15th, and at any time requested by the Commissioner.*
- (d) A licensee sharing its license with an affiliate is responsible and liable for the actions of its affiliate if those affiliates violate any provision of this chapter or chapter NRS 649, during that time that the licensee is affiliated with any such affiliate.*
- (e) A licensee must promptly request the Division remove an affiliated company from its license.*

**SMALL BUSINESS IMPACT STATEMENT FOR PROPOSED REGULATIONS BY
THE FINANCIAL INSTITUTIONS DIVISION (Division)
TO SENATE BILL (SB) 276
COLLECTION AGENCIES- DEBT BUYERS
September 12, 2023**

1. Small Business Impact Statement pursuant to NRS 233B.0609:

(a) A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

(I) Solicitation of affected small businesses.

The Division sought comments in accordance with NRS 233B.0608 for the purpose of considering whether as a result of the proposed regulations, there may be a direct and significant economic burden upon small business (defined as fewer than 150 employees) or if the regulations will directly restrict the formation, operation or expansion of a small business seeking to those engaged in or who desire to engage in the business of extending credit to ensure that there is established in this state an adequate, efficient and competitive service available to the general public.

The Division composed the solicitation list from current licensees under Nevada Revised Statutes Chapter 649 and known interested parties. In turn, the Division solicited comments on the proposed regulations for Senate Bill 276 (S.B.276) from the above lists by emailing a notice and questionnaire. Additionally, a copy of the full text of the proposed regulations was emailed and posted to the Division's website. The solicited comments were used to formulate this Small Business Impact Statement.

(II) Summary of responses.

See attached spreadsheet.

(III) Obtain a copy of the summary.

This Small Business Impact Statement was posted on the NFID website on October 16, 2023, along with a Notice of Workshop for November 2, 2023. Interested persons may also obtain a copy of the Small Business Impact Statement by contacting the:

**Office of the Commissioner
Financial Institutions Division
3300 W. Sahara Avenue, Suite 250
Las Vegas, NV 89102
Email: FIDMaster@fid.state.nv.us
Telephone: (702) 486-4120
Website: <http://fid.nv.gov>**

(b) The manner in which the analysis was conducted.

Pursuant to NRS 233B.0608(1), the Division made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business; or directly restrict the formation, operation or expansion of a small business. For this effort, the Division sent a copy of the draft regulations and a Small Business Impact Questionnaire to all known interested parties for review and invited written comment regarding the impact to the entities, NFID took all comments submitted into consideration.

Following review and analysis of the authorizing statutory language S.B.276 and written comment from the industry, the Division has determined that the proposed regulation is unlikely to impose a direct and significant economic burden upon a small business; result in any direct or indirect adverse effects on small business; or directly restrict the formation, operation, or expansion of a small business.

(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate including, without limitation:

(1) Both Adverse and Beneficial effects:

(I) ADVERSE EFFECTS:

The industry's biggest concern was the increase in licensing, certificates, and application fees. Even though the increase was minimal and not increased since the current regulation was adopted in 2006, the Division removed the increase for collection agencies and reduced the increase for the compliance managers.

Some comments were toward clarifying language for current statutory language or regulation.

Some comments were more directed towards S.B.276 and not the proposed regulations.

(II) BENEFICIAL EFFECTS:

The industry is in favor of removing the need to license each branch location and a license required for the main location. The other comments were more directed towards S.B. 276 and not the proposed regulations.

(2) Both Direct and Indirect effects:

(I) DIRECT EFFECTS:

The industry's biggest concern was the increase in licensing, certificates, and application fees. Even though the increase was minimal and not increased since the current regulation was adopted in 2006, the Division removed the increase for collection agencies and reduced the increase for the compliance managers.

Some comments were toward clarifying language for current statutory language or regulation.

Some comments were more directed towards S.B.276 and not the proposed regulations.

(II) INDIRECT EFFECTS:

The indirect effect comments more directed towards S.B.276 and not the proposed regulations or just needed clarification, which was provided in the small business impact spreadsheet.

(d) A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Division sent out 530 small business questionnaires to all known interested parties. It received a total of forty (40) responses to the solicitation. Nine (9) small businesses provided comment, twelve (12) responded with N/A or no impact, and nineteen (19) responded with no comment because they were over the small business threshold of 150 employees. The Division has considered and analyzed all submitted comments and addressed those comment in the attached summary of response spreadsheet. Some of the comments were more directed towards S.B. 276 and not the proposed regulation, the Division cannot change current law but has drafted the proposed regulation to mitigate concerns from the industry and provide clarification.

(e) The estimated cost to the agency for enforcement of the proposed regulation.

The estimated cost to the Division for enforcement of the proposed regulation should be covered by the proposed fees to be collected by the Division. The Division does not foresee the need for any additional funding or budget increase.

(f) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect, and the manner in which the money will be used.

The Division is proposing a minimal increase in the compliance manager's application and certificate fees, within the allowable amount per statute.

The 1st Year → \$52,160 (Based on the application fee of \$450 and initial licensing fee of \$35.00 for 40 new compliance managers and a certificate renewal fee of \$35 for 936 current certificate holders).

The 2nd Year → \$34,160 (Based on yearly renewal fee of \$35 for excepted 976 certificate holders).

The fees collected will be used by the Division to regulate the industry at the most economical method possible with the Division's established objective to maintain fees at a level to cover agency costs to implement/operate/enforce and not to over burden small business with high and unnecessary fees.

(g) If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

To the Division's knowledge, the proposed regulations do not duplicate any existing federal, state, or local standards regulating the same activity.

(h) The reasons for the conclusions of the agency regarding the impact of the regulation on small businesses.

This is a result of the passage of new legislation, S.B. 276. The Division can only lessen the impact on small business by proposing regulation that provides clarification to the industry. The regulation itself does not impose an economy burden to small business.

To the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this Small Business Impact Statement was prepared properly and accurate.



Sandy O'Laughlin
Commissioner
Financial Institutions Division
State of Nevada, Department of Business and Industry

<u>NRS 649- Debt Buyers- Direct or Indirect Impact Item From Small Businesses</u>	<u>Number/ and %</u>	<u>Direct or Indirect</u>	<u>Adverse or Beneficial</u>	<u>NFID Answer/Mitigation</u>
Will be able to easily add an additional branch location, with the removal of separate branch licensing and renewals.	2 (22.2%)	Direct	Beneficial	No response is required since this comment does not have an adverse impact on small business.
NAC 649.076 - should be "reasonable and actual" expenses for out of state travel excluding meals and lodging. With the significant increase in fees, meals and lodging should not be an agency expense.	1 (11.1%)	Direct	Adverse	Current regulation allows for these expenses, the new language is providing clarification of the costs the Division may charge a licensee. The licensee does have a choice for the Division to travel onsite to the licensed location or for the Division to conduct the examination in Nevada, unless the licensee is operating with extreme weaknesses and/or at an unsatisfactory level. The reasonable expenses are based off the U.S. General Services Administration (GSA) rates for the travel destination.
Negative financial impact to pay more in fees and costs. Price increases across the board	3 (33.3%)	Direct	Adverse	The Division has not raised the licensing fees since the current fee rates were adopted in 2006. However, after considering comments from small businesses and considering the changes in SB276, which makes all collection agencies the same, thereby, raising the foreign collection agency fees to collection agency fees, the Division will not increase the collection agency fees and will reduce the increase for the compliance managers.

<p>Additional paperwork and personnel time to comply with Section 23. Suggest allowing a collection agency to attest that the training and oversight was provided.</p>	<p>1 (11.1%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>The added requirement creates minimal additional paperwork. The training and documentation of such training is an important compliance step for the collection agency to take.</p>
<p>Sections 7-8 provide both the agency and the remote worker with precise and accurate requirements for remote work and maintaining compliance.</p> <p>Opening up a remote workforce allows new opportunities with current and prospective client portfolios.</p> <p>Revisions of NRS Chapter 649 to permit work from home.</p>	<p>3 (33.3%)</p>	<p>Indirect</p>	<p>Beneficial</p>	<p>No response is required since this comment does not have an adverse impact on small business and permitting remote work is in Senate Bill 276 and not the proposed regulation.</p>
<p>Section 7.3 Many collection agencies have had remote workers in place for more than a year, many of which are in locations which are not close to a branch location. These workers already have been trained, supervised, and monitored in a remote location. Bringing them to a facility to conduct in person training for 7 days adds a burden without significant impact. It would be appropriate to "grandfather" these agents and agencies and waive the "direct oversight and mentoring from a supervisor for at least 7 days" [which we interpret as in-person] for all workers who have been in such remote conditions for more than 30/60/90 days prior to the effective date of the proposed regulations.</p> <p>It would be beneficial to clarify 7 days- does it mean 7 consecutive intervals of eight hours; 7 random intervals of eight hours; any 7 occasions, regardless of duration.</p>	<p>1 (11.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Section 7.3 is in reference to Senate Bill 276 (SB276) and not the proposed regulation. The Division cannot change the language in SB 276.</p> <p>Nevada temporarily allowed collectors to work from home during the COVID-19 pandemic until July 31, 2021. All collectors contacting Nevada consumers and/or collecting on behalf of Nevada clients were required to return to the licensed location on August 1, 2021.</p> <p>The Division interprets this section to mean 7 consecutive 8-hour working days.</p>

<p>Along with overwriting the collection manager requirement for each location and consolidation all the responsibilities under one universal compliance manager relieves financial burden and personnel resources in licensing/renewal process</p>	<p>1 (11.1%)</p>	<p>Direct</p>	<p>Beneficial</p>	<p>The language in Senate Bill 276 and the proposed regulation still requires a compliance manager for each licensed location. The language no longer requires each branch location to be licensed.</p>
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<p>Section 7- NAC 649.081. Would cause a burden to require report of financial standing prepared by accountant.</p>	<p>1 (11.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Current regulation NAC 649.081 already requires a licensed certified public accountant to prepare the financials. The only change the proposed regulation is making to this section is to remove "foreign collection agency" and "certificate" since all collection agencies will be licensed the same and the Division will no longer issue certificates to "foreign collection agencies" but will issue a license as a collection agency.</p>
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<p>Why charging local/domestic small companies more for applications and renewals? The foreign/out of state companies should be charged more.</p>	<p>1 (11.1%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>Senate Bill 276 removed foreign collection agencies from chapter NRS 649. All out-of-state companies will be licensed as a collection agency, the same as in-state companies. All licensees will be charged the same fees.</p>
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<p>Section 15- Prohibits a compliance manager to work for both a primary and secondary collection agency at the same time, which is inconsistent with NRS 649.305(2)</p>	<p>1 (11.1%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>The Division does not believe the language in current regulation to be inconsistent with the new provisions from Senate Bill 276/NRS 649.305(2). Each licensed collection agency must maintain a licensed compliance manager. The Division would license a primary or secondary location, these are not necessarily branch locations nor does this language prohibit a licensed debt buyer to share a compliance manager with an unlicensed affiliated debt buyer who was approved by the Division to share the license.</p> <p>The section you are concerned with, NRS 649.305(2): Section 15 subsection 3, states, in part, except as otherwise provided in subsection 2 of section 30 of Senate Bill 276(SB276). Subsection 2 of section 30 of SB276 states "a compliance manager must not be employed as a compliance manager by more than one collection agency or employed by a collection agency and an exempt entity at the same time. A compliance manager may be simultaneously employed as a compliance manager by a collection agency and an affiliate of that collection agency."</p> <p>NAC 649.030 "Primary collection agency" defined. "Primary collection agency" means any collection agency which is not a secondary collection agency.</p> <p>NAC 649.040 "Secondary collection agency" defined. (NRS 649.053) "Secondary collection agency" means a collection agency which engages directly or indirectly in the solicitation or encouragement of debtors to pay delinquent debts directly to the debtors' creditors through the use of machine-derived form letters.</p>
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Lumping collection agencies with debt buyers is not fair. Eliminate collection agencies from this and make it only apply to debt buyers.	1 (11.1%)	Indirect	Adverse	Adding debt buyers with collection agencies in NRS 649 was done by the Legislators in Senate Bill 276 and not the proposed regulation. The Division cannot change the language in SB 276.
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SBI Response Summary:

Total Known Interested Parties Solicited: 530

Total Responded with Comments: 9
Total Responded with N/A: 12
Total Responded with over 150 Employees (outside the small business threshold): 19
Total Comments Impacting the SBI % (Total Known Interested Parties Solicited - N/A - over 150 Employees=): 499

% Responded/Total Solicited (40/530): 7.55%
% Responded with Comments/Total Comments Impacting SBI (9/499): 1.80%

Senate Bill No. 276—Senators Lange; and Hammond
CHAPTER.....

AN ACT relating to collection agencies; requiring a collection agency to display certain information on the Internet website of the collection agency; authorizing a collection agent to work from a remote location under certain circumstances; revising certain terminology related to collection agencies; revising the entities required to obtain a license as a collection agency and the circumstances under which such a license is required; revising provisions governing certain records and an application for and the issuance of a license as a collection agency; revising the frequency of the determination of the amount of the bond or substitute for a bond that a collection agency is required to maintain; eliminating certain examinations; removing a requirement that a collection agency obtain a permit for a branch office; revising provisions relating to the application and issuance of a compliance manager's certificate; prohibiting the compliance manager of a collection agency from being simultaneously employed by another collection agency or exempt entity as a compliance manager; exempting certain debt buyers from certain provisions governing collection agencies; revising provisions related to certain annual reports; prohibiting certain actions by a collection agency, compliance manager or collection agent; repealing certain provisions governing foreign collection agencies and certificates; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the licensure and regulation of collection agencies and collection agents. (Chapter 649 of NRS) **Section 3** of this bill defines the term "debt buyer" to mean a person that is regularly engaged in the business of purchasing claims that have been charged off for the purpose of collecting such claims. **Section 14** of this bill includes a debt buyer within the definition of "collection agency," thereby requiring a debt buyer to obtain a license as a collection agency and comply with existing law governing collection agencies. **Sections 18 and 39** of this bill authorize a debt buyer and an affiliate of the debt buyer to share a license. **Sections 34, 35 and 38** of this bill exempt debt buyers from provisions of existing law governing the relationship between a collection agency and a customer when debt buyers do not also collect claims on behalf of parties who are not affiliated with the debt buyer.

Section 5 of this bill defines the term "remote location" to mean a location separate from either the principal place of business or a branch office of a collection agency. **Sections 7-10** of this bill establish requirements governing collection agents who work from remote locations. Specifically, **section 10** requires a collection agency to maintain certain records concerning such collection agents. Before a collection agent begins working from a remote location, **section 7** requires the collection agent to: (1) sign a written agreement to perform certain duties, authorize certain monitoring by the employer and refrain from certain activities while working from the remote location; (2) complete certain training; and (3) work for the collection agency for at least 7 days under direct oversight and mentoring from a supervisor. **Section 8** of this bill requires the remote location from which a collection agent works to satisfy certain requirements to protect data and enable the collection agent to work safely and effectively. **Section 8** also prohibits: (1) multiple collection agents who do not reside in the same residence from working from the same remote location; and (2) a collection agent from printing or storing physical records at a remote location. **Section 9** of this bill requires a collection agency to develop and implement a written security policy for work from a remote location and sets forth certain requirements for the security policy. **Section 10** imposes certain additional requirements relating to the work of collection agents from a remote location.

Section 13 of this bill revises the definition of the term "claim" to include any obligation for the payment of money or its equivalent that is delinquent or in default and assigned to a collection agency. **Sections 33, 37 and 40** of this bill replace the term "debt" with "claim" to more accurately state the property interest on which the collection agency may act.

Section 14 revises the definition of the term "collection agency" to exclude certain financial institutions, employees of such institutions, persons collecting claims that they originated on their own behalf and various other persons and entities deemed not to be debt collectors under federal law, thereby exempting such persons and entities from requirements governing collection agencies. **Section 15** of this bill amends the term "collection agent" to mean a person who performs certain activities on behalf of a collection agency outside the place of business of a collection agency, thereby exempting persons who do not act on behalf of a collection agency from requirements governing collection agents. **Sections 2 and 4** of this bill define certain other terms. **Section 12** of this bill makes a conforming change to indicate the proper placement of **sections 2-5** in the Nevada Revised Statutes.

Section 18 prescribes the circumstances under which a person is required to obtain a license as a collection agency. **Section 52** of this bill repeals provisions governing foreign collection agencies, thereby requiring such collection agencies to be licensed in the same manner as domestic collection agencies. **Sections 17 and 48** of this bill make certain information provided to the Commissioner of Financial Institutions by an applicant for a license confidential. **Sections 19 and 20** of this bill revise the required contents of an application to operate a collection agency. **Sections 22, 24, 31 and 52** of this bill revise provisions governing the procedure for issuing a license or removing a business location from the place of business as stated in the license, including by removing a requirement that the Commissioner issue a physical license to a successful applicant.

Existing law requires a collection agency to employ a manager who is: (1) certified as a manager; and (2) jointly responsible for the operation of the collection agency. (NRS 649.035, 649.095, 649.305) **Sections 16, 20, 26-30, 32, 36, 37, 40 and 51** of this bill

revise the term “manager” to “compliance manager.” **Section 16** also provides that a compliance manager is required to equally share responsibility only for the collection operation of the collection agency. **Section 26** of this bill revises the requirements to apply for a compliance manager’s certificate. **Section 30** of this bill prohibits a compliance manager from being employed as a compliance manager by more than one collection agency at a time, or by a collection agency and an exempt entity at the same time. **Sections 22, 23, 29 and 52** of this bill remove a requirement that an applicant for a license to operate a collection agency pass an examination and references to that requirement. **Section 26.5** of this bill requires the Commissioner to waive the examination for a certificate as a compliance manager if the applicant and collection agency that employs the applicant hold certain certifications. Existing law requires: (1) an applicant for a license to operate a collection agency to file a bond or an appropriate substitute with the Commissioner; and (2) the Commissioner to determine the appropriate amount of the bond or appropriate substitute 3 months after submission and semiannually thereafter. (NRS 649.105) **Section 21** of this bill instead requires the Commissioner to review the amount of that bond or substitute annually.

Existing law requires an applicant to state the location of the business and to obtain a permit to operate a branch office. (NRS 649.095, 649.167) **Section 25** of this bill removes the requirement to obtain a permit and instead requires a collection agency to notify the Commissioner of the location of the branch office. **Section 29** of this bill makes a conforming change to remove the fees for the issuance and renewal of a permit to operate a branch office.

Existing law requires a license or certificate issued by the Commissioner to be displayed on the wall of the place of business of the collection agency. (NRS 649.315) **Sections 6, 49 and 52** of this bill remove this requirement and instead require a collection agency to display its license number and the certificate identification number of the certificate issued to the compliance manager of the collection agency on an Internet website maintained by the collection agency.

Existing law requires a collection agency to submit a report to the Commissioner on or before January 31 of each year relating to the money due to all creditors by the collection agency and the total sum in the customer trust fund accounts of the collection agency. (NRS 649.345) **Section 36** requires this report to be submitted on or before April 15 of each year.

Existing law prohibits a collection agency or its agents or employees from engaging in certain practices. (NRS 649.375) **Section 40** additionally prohibits a collection agency or its compliance manager, agents or employees from: (1) filing a civil action to collect a debt when the collection agency, compliance manager, agent or employee knows or should know that the applicable limitation period for filing such an action has expired; and (2) selling an interest in a resolved claim or any personal or financial information related to the resolved claim. Any person who violates these provisions is guilty of a gross misdemeanor and subject to an administrative fine. (NRS 649.435, 649.440)

Existing law prescribes the time within which certain civil actions may be filed. (NRS 11.190) Existing law provides that, for an action based on indebtedness, the relevant time period begins on the date on which the last payment was made. (NRS 11.200) **Section 41** of this bill provides that a payment made on a debt or certain other activity relating to the debt after the time period for filing an action based on a debt has expired does not revive the applicable limitation. **Section 33** requires certain notice provided to a medical debtor to notify the debtor that such a payment does not revive the applicable limitation.

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

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

Section 1. Chapter 649 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this act.

Sec. 2. *“Collection activities” means activities performed by a collection agency or collection agents related to the collection of or attempt to collect a claim.*

Sec. 3. *“Debt buyer” means a person who is regularly engaged in the business of purchasing claims that have been charged off for the purpose of collecting such claims, including, without limitation, by personally collecting claims, hiring a third party to collect claims or hiring an attorney to engage in litigation for the purpose of collecting claims.*

Sec. 4. *“Exempt entity” means an entity described in paragraphs (b) to (k), inclusive, of subsection 2 of NRS 649.020.*

Sec. 5. *“Remote location” means a location separate from either the principal place of business or a branch office of a collection agency.*

Sec. 6. *A collection agency shall display on any Internet website maintained by the collection agency:*
1. The license number issued to the collection agency by the Commissioner pursuant to NRS 649.135; and
2. The certificate identification number of the certificate issued to the compliance manager of the collection agency by the Commissioner pursuant to NRS 649.225.

Sec. 7. *Before a collection agent begins working from a remote location, the collection agent must:*

1. Sign a written agreement prepared by the collection agency that requires a collection agent working from a remote location to:

(a) Maintain data concerning debtors in a confidential manner and refrain from printing or otherwise reproducing such data into a physical record while working from the remote location;

(b) Read and comply with the security policy established pursuant to section 9 of this act and any policy to ensure the safety of the equipment of the collection agency that the collection agent is authorized to use;

(c) Review a description of the work that the collection agent is authorized to perform from the remote location and only perform work included in that description;

(d) Refrain from disclosing to a debtor that the collection agent is working from a remote location or that the remote location is a place of business of the collection agency;

(e) Authorize the employer to monitor the collection agent while he or she is working from the remote location, including, without limitation, recording any calls to and from the remote location relating to collection activities; and

(f) Refrain from conducting any activities related to his or her work with the collection agency with a debtor or customer in person at the remote location;

2. Complete a program of training regarding compliance with applicable laws and regulations, privacy, confidentiality, monitoring, security and any other issue relevant to the work the collection agent will perform from the remote location; and

3. Work for the collection agency under direct oversight and mentoring from a supervisor for at least 7 days.

Sec. 8. 1. The remote location from which a collection agent works must:

(a) Be capable of providing the same degree of oversight and monitoring of the collection agent as if the collection agent was working in the principal place of business or a branch office of the collection agency;

(b) Be fully connected to the technological systems, including, without limitation, any computer system, of the office at the principal place of business or a branch office of the collection agency;

(c) Allow the collection agency to:

(1) Record calls made to and from the remote location; and

(2) Monitor calls to and from the remote location in real time;

(d) Be a private location where confidentiality can be maintained; and

(e) Have the equipment necessary for the collection agent to perform his or her work safely and effectively.

2. Each collection agent who works from a remote location must be connected to the principal place of business or a branch office of the collection agency in a manner that requires the collection agent to use unique credentials to access the technological systems of the collection agency.

3. Except as otherwise provided in this subsection, two or more collection agents shall not work from the same remote location. Two or more collection agents who reside in the same residence may each work remotely from that residence.

4. A collection agent shall not print or store any physical records of a collection agency at a remote location.

5. A remote location from which a collection agent works shall be deemed to be an extension of the principal place of business or branch office to which the collection agent is connected pursuant to paragraph (b) of subsection 1 for the purposes of this chapter and any other relevant purposes.

Sec. 9. 1. A collection agency shall develop and implement a written security policy for collection agents who work from a remote location to ensure that the data of debtors, customers and the collection agency is secure and protected from unauthorized disclosure, access, use, modification, duplication or destruction. The security policy must include, without limitation:

(a) Access to the technological systems of the collection agency through a virtual private network or other similar network or system which:

(1) Utilizes multifactor authentication, data encryption and frequent password changes; and

(2) Automatically locks a collection agent out of his or her account if suspicious activity is detected;

(b) A procedure to immediately update and repair any security network or system to ensure that current security technologies are utilized;

(c) A requirement to store all data of debtors, customers and the collection agency on designated drives that are safe, secure and expandable;

(d) A requirement that collection agents work on electronic devices that are secured with software and hardware protections including, without limitation, antivirus software and a firewall;

(e) A requirement that collection agents access any system of the collection agency through an electronic device that has been issued by the collection agency and a prohibition on using such an electronic device for personal purposes;

(f) A procedure for the containment and disclosure of any breach of data that occurs, including, without limitation, the issuance of any disclosure that is required by law;

(g) A procedure for the protection of data during a natural disaster or other emergency that has the potential to impact the data or electronic devices of the collection agency at a remote location and the recovery of data after such a natural disaster or other emergency;

(h) A procedure for the secure disposal of data in accordance with any applicable law or contract;

(i) A procedure for conducting an annual risk assessment concerning the protection of the data of debtors, customers and the collection agency and a plan to implement new policies based on the results of the risk assessment; and

(j) Procedures to:

(1) Prevent a former collection agent from accessing any system of the collection agency; and

(2) Remotely disable or remove all data from an electronic device owned by the collection agency at the remote location.

2. A collection agency that complies with the requirements of 16 C.F.R. Part 314 satisfies the requirements of this section.

Sec. 10. 1. A collection agent working from a remote location shall comply with any applicable federal and state laws, including, without limitation, the provisions of this chapter, including, without limitation, NRS 649.335, and the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq.

2. A collection agency shall:

(a) Record calls performed by a collection agent conducting collection activities from a remote location and maintain such recordings for at least 3 years; and

(b) Monitor calls performed by a collection agent conducting collection activities from a remote location in real time on a regular basis.

3. A collection agency or collection agent shall not:

(a) Represent to any person that the collection agent is working independently of the collection agency;

(b) Use the remote location from which a collection agent is working and any related address, telephone number or facsimile number in advertising for the collection agency;

(c) Require or invite a debtor to come to a remote location from which a collection agent is working for the purpose of collection activities; or

(d) Hold out a remote location from which a collection agent is working in such a manner that a debtor is likely to believe that the remote location is the principal place of business or a branch office of the

collection agency, including, without limitation, by receiving mail at the remote location, storing records at the remote location or stating to a debtor or customer that the collection agent is working from the remote location.

4. A collection agency shall:

(a) Maintain a record of collection agents who are authorized to work from a remote location which must include, for each such collection agent:

(1) The name, telephone number and electronic mail address of the collection agent; and

(2) The address of the remote location;

(b) Maintain a record of equipment supplied to collection agents for use at a remote location;

(c) Review its policies and procedures governing remote work for compliance with sections 7 to 10, inclusive, of this act at least annually and upon request of the Commissioner; and

(d) Establish a procedure to ensure that a collection agent working from a remote location does so without acting in any illegal, unethical or unsafe manner.

Sec. 11. (Deleted by amendment.)

Sec. 12. NRS 649.005 is hereby amended to read as follows:

649.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 649.010 to 649.042, inclusive, *and sections 2 to 5, inclusive, of this act* have the meanings ascribed to them in those sections.

Sec. 13. NRS 649.010 is hereby amended to read as follows:

649.010 “Claim” means any obligation for the payment of money or its equivalent that is past due **[.]**, *delinquent or in default and assigned to a collection agency.*

Sec. 14. NRS 649.020 is hereby amended to read as follows:

649.020 1. “Collection agency” means all persons engaging, directly or indirectly, and as a primary or a secondary object, business or pursuit, in the collection of or in soliciting or obtaining in any manner the payment of a claim owed or due or asserted to be owed or due to another.

2. “Collection agency” does not include any of the following unless they are conducting collection **[agencies:] activities in a capacity other than that described in this subsection:**

(a) **[Individuals] Natural persons** regularly employed *by an exempt entity* on a regular wage or salary **[, in the capacity of credit men or in other similar capacity upon the staff of employees of any person] who, on behalf of the exempt entity, collect a claim owed to the exempt entity provided that such persons are** not engaged in the business of a collection agency or making or attempting to make collections as an incident to the usual practices of their primary business or profession.

(b) Banks **[.]**, *savings banks, credit unions, thrift companies or trust companies.*

(c) Nonprofit cooperative associations.

(d) Unit-owners’ associations and the board members, officers, employees and units’ owners of those associations when acting under the authority of and in accordance with chapter 116 or 116B of NRS and the governing documents of the association, except for those community managers included within the term “collection agency” pursuant to subsection 3.

(e) Abstract companies doing an escrow business.

(f) Duly licensed real estate brokers, except for those real estate brokers who are community managers included within the term “collection agency” pursuant to subsection 3.

(g) Attorneys and counselors at law licensed to practice in this State, so long as they are retained by their clients to collect or to solicit or obtain payment of such clients’ claims in the usual course of the practice of their profession.

(h) A mortgage servicer licensed pursuant to chapter 645F of NRS, except where such a mortgage servicer is attempting to collect a claim that was assigned when the relevant loan was in default.

(i) Any person collecting in his or her own name on a claim that he or she originated.

(j) Any person servicing a claim that he or she originated and sold.

(k) Any person or entity described in 15 U.S.C. § 1692a(6)(A) to 1692a(6)(F), inclusive.

3. “Collection **[agency:] agency” includes:**

(a) **[Includes a] A** community manager while engaged in the management of a common-interest community or the management of an association of a condominium hotel if the community manager, or any employee, agent or affiliate of the community manager, performs or offers to perform any act associated with the

foreclosure of a lien pursuant to NRS 116.31162 to 116.31168, inclusive, or 116B.635 to 116B.660, inclusive; and

(b) **[Does] A debt buyer.**

4. ***“Collection agency” does*** not include any **[other]** community manager , ***other than a community manager described in paragraph (a) of subsection 3,*** while engaged in the management of a common-interest community or the management of an association of a condominium hotel.

[4.] 5. As used in this section:

(a) “Community manager” has the meaning ascribed to it in NRS 116.023 or 116B.050.

(b) “Unit-owners’ association” has the meaning ascribed to it in NRS 116.011 or 116B.030.

Sec. 15. NRS 649.025 is hereby amended to read as follows:

649.025 “Collection agent” means any person, **[whether or not regularly employed at a regular wage or salary, who in the capacity of a credit man or in any other similar capacity]** ***who, on behalf of a collection agency,*** makes a collection, solicitation or investigation of a claim at a place or location other than the business premises of the collection agency, but does not include:

1. Employees of a collection agency whose activities and duties are restricted to the business premises of the collection agency.

2. The individuals, corporations and associations enumerated in subsection 2 of NRS 649.020.

Sec. 16. NRS 649.035 is hereby amended to read as follows:

649.035 **[“Manager”]** ***“Compliance manager”*** means a person who:

1. Holds a ***compliance*** manager’s certificate;

2. Is designated as the ***compliance*** manager of a collection agency;

3. Shares equally with the holder of a license to conduct a collection agency the responsibility for the ***collection*** operation of the collection agency; and

4. Devotes a majority of the hours he or she works as an employee of the agency to the actual **[management, operation and administration]** ***oversight and compliance*** of that collection agency.

Sec. 17. NRS 649.065 is hereby amended to read as follows:

649.065 1. The Commissioner shall keep in the Office of the Commissioner, in a suitable record provided for the purpose, all applications for certificates, licenses and all bonds required to be filed under this chapter. The record must state the date of issuance or denial of the license or certificate and the date and nature of any action taken against any of them.

2. All licenses and certificates issued must be sufficiently identified in the record.

3. All renewals must be recorded in the same manner as originals, except that, in addition, the number of the preceding license or certificate issued must be recorded.

4. Except **[for confidential information contained therein, the record must be open for inspection as a public record in the Office of the Commissioner.]** ***as otherwise provided in NRS 239.0115, any application and personal or financial records submitted by a person pursuant to the provisions of this chapter and any personal or financial records or other documents obtained by the Division of Financial Institutions of the Department of Business and Industry pursuant to an examination, audit or investigation conducted by the Division are confidential and may be disclosed only to:***

(a) The Division, any authorized employee of the Division and any state or federal agency investigating activity covered by this chapter.

(b) The Department of Taxation for its use in carrying out the provisions of chapter 363C of NRS.

Sec. 18. NRS 649.075 is hereby amended to read as follows:

649.075 1. Except as otherwise provided in this section, a person shall not **[conduct within this State a collection agency or]** engage ***in the business of a collection agency*** within this State **[in the business of collecting claims for others, or of soliciting the right to collect or receive payment for another of any claim, or advertise, or solicit, either in print, by letter, in person or otherwise, the right to collect or receive payment for another of any claim, or seek to make collection or obtain payment of any claim on behalf of another]** without having first applied for and obtained a license ***as a collection agency*** from the Commissioner.

2. **[A person is not required to obtain a license if the person holds a certificate of registration as a foreign collection agency issued by the Commissioner pursuant to NRS 649.171.]** ***A person engages in the business of a collection agency in this State for the purposes of subsection 1 if the person is located:***

(a) In this State and is seeking to collect a claim, regardless of whether the debtor resided or currently resides in this State or another state;

(b) In another state and is seeking to collect a claim from a debtor that resides in this State; or

(c) In another state and is seeking to collect a claim on behalf of a person or entity that resides in this State.

3. A person engaging in the business of a collection agency shall obtain a license for the office of the principal place of business of the person. A person is not required to obtain a license for a branch office or remote location.

4. A debt buyer may share a single license as a collection agency with a person affiliated with the debt buyer if the affiliated person does not engage in any collection activities other than purchasing claims.

Sec. 19. NRS 649.085 is hereby amended to read as follows:

649.085 Every individual applicant, every officer and director of a corporate applicant, and every member of a firm or partnership applicant for a license as a collection agency or collection agent must submit proof satisfactory to the Commissioner that he or she:

1. Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business of a collection agency in a manner which protects the interests of the general public.

2. Has not had a collection agency license suspended or revoked within the 10 years immediately preceding the date of the application [.] , *unless the license was suspended for a minor violation that did not harm a debtor and the license was subsequently restored.*

3. Has not been convicted of, or entered a plea of nolo contendere to:

(a) A felony relating to the practice of collection agencies or collection agents; or

(b) Any crime involving fraud, misrepresentation or moral turpitude.

4. Has not made a false statement of material fact on the application.

5. Will maintain *[one or more offices in this State or one or more offices in another state for the transaction of the business of his or her collection agency.] a physical office as the principal place of business. If a collection agent of the applicant will be working from a remote location, the principal place of business of the applicant must be located in the United States.*

6. Has established a plan to ensure that his or her collection agency will provide the services of a collection agency adequately and efficiently.

Sec. 20. NRS 649.095 is hereby amended to read as follows:

649.095 1. An application for a license must be in writing and filed with the Commissioner on a form provided for that purpose.

2. The application must state:

(a) The name of the applicant and the name under which the applicant does business or expects to do business.

(b) The address of the applicant's business and residence, including street and number.

(c) The character of the business sought to be carried on.

(d) *[The] Except as otherwise provided in this paragraph, the locations by street and number where the business will be transacted [.] , including, without limitation, the location of any branch office. The application is not required to include any remote location from which a collection agent will work.*

(e) In the case of a firm or partnership, the full names and residential addresses of all members or partners and the name and residential address of the *compliance* manager.

(f) In the case of a corporation or voluntary association, the name and residential address of each of the directors and officers and the name and residential address of the *compliance* manager.

(g) Any other information reasonably related to the applicant's qualifications for the license which the Commissioner determines to be necessary.

(h) If the applicant plans to have one or more collection agents work from a remote location, evidence that the applicant is able to comply with the provisions of sections 7 to 10, inclusive, of this act.

(i) All information required to complete the application.

3. In addition to any other requirements, each applicant or member, partner, director, officer or *compliance* manager of an applicant shall submit to the Commissioner a complete set of fingerprints and written permission authorizing the Division of Financial Institutions of the Department of Business and Industry to

forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

4. The application must be subscribed by the applicant and acknowledged.

5. Every applicant may be examined concerning the applicant's competency, experience, character and qualifications by the Commissioner or the Commissioner's authorized agent, and if the examination reveals that the applicant lacks any of the required qualifications, issuance of the license must be denied. Every application must have attached to it a financial statement showing the assets, liabilities and net worth of the applicant.

6. The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 21. NRS 649.105 is hereby amended to read as follows:

649.105 1. An applicant for a license must file with the Commissioner, concurrently with the application, a bond in the sum of \$35,000, or an appropriate substitute pursuant to NRS 649.119, which must run to the State of Nevada. The bond must be made and executed by the principal and a surety company authorized to write bonds in the State of Nevada.

2. The bonds must be conditioned:

(a) That the principal, who must be the applicant, must, upon demand in writing, pay any customer from whom any claim for collection is received, the proceeds of the collection, in accordance with the terms of the agreement made between the principal and the customer; and

(b) That the principal must comply with all requirements of this or any other statute with respect to the duties, obligations and liabilities of collection agencies.

3. ~~[Not later than 3 months after the issuance of the license and semiannually thereafter, the]~~ *The* Commissioner shall *annually* determine the appropriate amount of bond or appropriate substitute which must be maintained by the licensee . ~~[in] If applicable, such a determination must be in~~ accordance with the licensee's average monthly balance in the trust account maintained pursuant to NRS 649.355:

AMOUNT OF

AVERAGE MONTHLY BALANCE BOND REQUIRED

Less than \$100,000	\$35,000
\$100,000 or more but less than \$150,000	40,000
\$150,000 or more but less than \$200,000	50,000
\$200,000 or more	60,000

Sec. 22. NRS 649.135 is hereby amended to read as follows:

649.135 *1.* The Commissioner shall ~~[enter an order approving the]~~ *approve an* application for a license ~~[.] and~~ keep on file his or her findings of fact pertaining thereto ~~[, and permit the applicant to take the required examination.]~~ if the Commissioner finds that the applicant has met all the other requirements of this chapter pertaining to the applicant's qualifications and application.

2. Upon the approval of the application, the payment of any required fees and the submission of any required information, the Commissioner shall:

(a) Notify the applicant of the approval and issue a unique license number to the applicant; and

(b) Update any applicable public record maintained by the Commissioner to show that the person holds an active license that authorizes the person to conduct collection activities in this State.

Sec. 23. NRS 649.155 is hereby amended to read as follows:

649.155 1. If the Commissioner finds that any application or applicant for a collection agency license does not meet the requirements of NRS 649.135 , **[or the applicant fails to pass the required examination,]** the Commissioner shall enter an order denying the application.

2. Within 10 days after the entry of such an order, the Commissioner shall mail or deliver to the applicant written notice of the denial in which all the reasons for such denial are stated.

Sec. 24. NRS 649.165 is hereby amended to read as follows:

649.165 Upon **[receipt]** *notification* of the **[license,]** *approval of the application by the Commissioner pursuant to NRS 649.135*, the licensee shall have the right to conduct the business of a collection agency with all the powers and privileges contained in, but subject to, the provisions of this chapter.

Sec. 25. NRS 649.167 is hereby amended to read as follows:

649.167 1. **[A collection agency licensed in this State may apply to the Commissioner for a permit]** *A license as a collection agency granted pursuant to NRS 649.135 is valid for the principal place of business and any branch office of the licensee.*

2. Immediately upon beginning to operate a branch office **[in this State]** in a location not **[previously approved by its license.**

2. The Commissioner shall not issue a permit for a branch office until the principal office of the collection agency has been examined by the Commissioner and found to be satisfactory.

3. A branch office must have a manager on the premises during regular business hours.

4. The Commissioner shall adopt regulations concerning an application for a permit to operate a branch office.]*provided to the Commissioner on the application submitted pursuant to NRS 649.095, a collection agency shall notify the Commissioner in writing of the location of the branch office.*

Sec. 26. NRS 649.196 is hereby amended to read as follows:

649.196 1. Each applicant for a *compliance* manager's certificate must submit proof satisfactory to the Commissioner that the applicant:

(a) Is at least 21 years of age.

(b) Has a good reputation for honesty, trustworthiness and integrity and is competent to **[transact the business]** *oversee the compliance* of a collection agency in a manner which protects the interests of the general public. *An applicant may demonstrate competency to oversee the compliance of a collection agency by:*

(1) Holding a certification from a national association that is a nonprofit organization with expertise in the business of collections, compliance or financial services;

(2) Having 3 years of experience working in compliance for a collection agency;

(3) Holding a professional degree or accreditation relating to compliance of a collection agency; or

(4) Serving as a compliance manager on or before October 1, 2023.

(c) Has not committed any of the acts specified in NRS 649.215.

(d) Has not had a collection agency license or *compliance* manager's certificate suspended or revoked within the 10 years immediately preceding the date of filing the application **[.]** , **unless the license or certificate was suspended for a minor violation that did not harm a debtor and was subsequently restored.**

(e) Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.

(f) Has had not less than 2 years' full-time experience with a collection agency in the collection of accounts **[assigned by creditors who were not affiliated with the collection agency except as assignors of accounts.]** **or with a financial institution or as a compliance manager.** At least 1 year of the 2 years of experience must have been within the 18-month period preceding the date of filing the application.

2. Each applicant must:

(a) Pass the examination or reexamination provided for in NRS 649.205 **[.**

(b)] , **unless the examination or reexamination is waived pursuant to subsection 4 of NRS 649.205.**

(b) Pay the required fees.

[(c) Submit, in such form as the Commissioner prescribes:

(1) Three recent photographs; and

(2) Three complete sets of fingerprints which the Commissioner may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(d) (c) Submit such [other] information reasonably related to his or her qualifications for the *compliance* manager's certificate as the Commissioner determines to be necessary.

3. The Commissioner may refuse to issue a *compliance* manager's certificate if the applicant does not meet the requirements of subsections 1 and 2.

4. If the Commissioner refuses to issue a *compliance* manager's certificate pursuant to this section, the Commissioner shall notify the applicant in writing by certified mail stating the reasons for the refusal. The applicant may submit a written request for a hearing within 20 days after receiving the notice. If the applicant fails to submit a written request within the prescribed period, the Commissioner shall enter a final order.

5. The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a [license] *certificate* to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 26.5. NRS 649.205 is hereby amended to read as follows:

649.205 1. The Commissioner shall provide for *compliance* managers' examinations at such times and places as the Commissioner may direct, at least twice each year.

2. The examinations must be of a length, scope and character which the Commissioner deems reasonably necessary to determine the fitness of the applicants to act as *compliance* managers of collection agencies.

3. If an applicant does not pass the examination, the applicant must reapply to take the examination and pay a reexamination fee of not more than \$100 for each subsequent examination. The Commissioner shall adopt regulations establishing the amount of the reexamination fee required pursuant to this subsection.

4. *If the applicant and collection agency that employs or seeks to employ the applicant are both certified by a national association that is a nonprofit with expertise in the business of collections which the Commissioner determines proves the competence of the applicant, the Commissioner must waive the examination for the applicant.*

5. The Commissioner may make such rules and regulations as may be necessary to carry out the purposes of this section.

Sec. 27. NRS 649.215 is hereby amended to read as follows:

649.215 The Commissioner may refuse to permit an applicant for a *compliance* manager's certificate to take the examination, or, after a hearing, may suspend or revoke a *compliance* manager's certificate if the applicant or *compliance* manager has:

1. Committed or participated in any act which, if committed or done by a licensee, would be grounds for the suspension or revocation of a license.

2. Been refused a license or certificate pursuant to this chapter or had such a license or certificate suspended or revoked.

3. Participated in any act, which act was a basis for the refusal or revocation of a collection agency license.

4. Falsified any of the information submitted to the Commissioner in support of an application pursuant to this chapter.

5. Impersonated, or permitted or aided and abetted another to impersonate, a law enforcement officer or employee of the United States, a state or any political subdivision thereof.

6. Made any statement in connection with his or her employment with a collection agency with the intent to give an impression that he or she was a law enforcement officer of the United States, a state or political subdivision thereof.

Sec. 28. NRS 649.225 is hereby amended to read as follows:

649.225 1. The Commissioner shall issue a *compliance* manager's certificate to any applicant who meets the requirements of this chapter for the certificate. *Each certificate must have a unique identification number.*

2. Each **compliance** manager holding a **compliance** manager's certificate issued pursuant to this chapter shall notify the Commissioner in writing of any change in his or her residence address within 10 days after the change.

Sec. 29. NRS 649.295 is hereby amended to read as follows:

649.295 1. A nonrefundable fee of not more than \$500 for the application **[and survey]** must accompany each new application for a license as a collection agency. Each applicant shall also pay any additional expenses incurred in the process of investigation. All money received by the Commissioner pursuant to this subsection must be placed in the Investigative Account created by NRS 232.545.

2. A fee of not less than \$200 or more than \$600, prorated on the basis of the licensing year as provided by the Commissioner, must be charged for each original license issued. A fee of not more than \$500 must be charged for each annual renewal of a license.

3. A fee of not more than \$20 must be charged for each **[duplicate license or]** license for a transfer of location issued.

4. A nonrefundable application fee of not more than \$500 and a nonrefundable investigation fee of not more than \$150 must accompany each application for a **compliance** manager's certificate.

5. A fee of not more than \$40 must be charged for each **compliance** manager's certificate issued and for each annual renewal of such a certificate.

6. A fee of not more than \$60 must be charged for the reinstatement of a **compliance** manager's certificate.

7. A fee of not more than \$10 must be charged for each day an application for the renewal of a license or certificate, or a required report, is filed late, unless the fee or portion thereof is excused by the Commissioner for good cause shown.

8. **[A nonrefundable fee of not more than \$250 for the application and an examination must accompany each application for a permit to operate a branch office of a licensed collection agency. A fee of not more than \$500 must be charged for each annual renewal of such a permit.]**

9.] For each examination the Commissioner shall charge and collect from the licensee a fee for conducting the examination and preparing and typing the report of the examination at the rate established and, if applicable, adjusted pursuant to NRS 658.101. Failure to pay the fee within 30 days after receipt of the bill is a ground for revoking the collection agency's license.

[10.] 9. Except as otherwise provided in NRS 658.101, the Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.

[11.] 10. Except as otherwise provided in subsection 1, all money received by the Commissioner pursuant to this chapter must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

Sec. 30. NRS 649.305 is hereby amended to read as follows:

649.305 **1.** No collection agency may operate its business without a **compliance** manager who holds a valid **compliance** manager's certificate issued under the provisions of this chapter.

2. Except as otherwise provided in this subsection, a compliance manager must not be employed as a compliance manager by more than one collection agency or employed by a collection agency and an exempt entity at the same time. A compliance manager may be simultaneously employed as a compliance manager by a collection agency and an affiliate of that collection agency.

Sec. 31. NRS 649.325 is hereby amended to read as follows:

649.325 1. A collection agency shall not remove its business location from the place of business as stated in the **[license] record of the licensee** except upon prior approval by the Commissioner in writing.

2. If the removal is approved, the Commissioner shall note the change **[upon the face of the license and enter in his or her records a notation of that change.] in the record of the licensee.**

Sec. 32. NRS 649.330 is hereby amended to read as follows:

649.330 1. A collection agency shall immediately notify the Commissioner of any change:

(a) Of the **compliance** manager of the agency; or

(b) If the agency is a corporation, in the ownership of 5 percent or more of its outstanding voting stock.

2. An application must be submitted to the Commissioner, pursuant to NRS 649.095, by:

(a) The person who replaces the **compliance** manager; and

(b) A person who acquires:

(1) At least 25 percent of the outstanding voting stock of an agency; or

(2) Any outstanding voting stock of an agency if the change will result in a change in the control of the agency.

↳ Except as otherwise provided in subsection 4, the Commissioner shall conduct an investigation to determine whether the applicant has the competence, experience, character and qualifications necessary for the licensing of a collection agency. If the Commissioner denies the application, the Commissioner may **[in his or her order]** forbid the applicant from participating in the business of the collection agency.

3. The collection agency with which the applicant is affiliated shall pay such expenses incurred in the investigation as the Commissioner deems necessary. All money received by the Commissioner pursuant to this subsection must be placed in the Investigative Account created by NRS 232.545.

4. A collection agency may submit a written request to the Commissioner to waive an investigation pursuant to subsection 2. The Commissioner may grant a waiver if the applicant has undergone a similar investigation by a state or federal agency in connection with the licensing of or the applicant's employment with a financial institution.

Sec. 33. NRS 649.332 is hereby amended to read as follows:

649.332 1. To verify a **[debt,] claim**, a collection agency shall:

(a) Obtain or attempt to obtain from the creditor any document that is not in the possession of the collection agency and is reasonably responsive to the dispute of the debtor, if any; and

(b) If such a document is obtained, mail the document to the debtor.

2. When collecting a **[debt] claim** on behalf of a hospital, within 5 days after the initial communication with the debtor in connection with the collection of the **[debt,] claim**, a collection agency shall, unless the following information is included in the initial communication, send a written notice to the debtor that includes a statement indicating that:

(a) If the debtor pays or agrees to pay the **[debt] claim** or any portion of the **[debt,] claim**, the payment or agreement to pay **[may] :**

(1) May be construed as **[:**

(1) An] an acknowledgment of the **[debt] claim** by the debtor; and

(2) [A] As provided in NRS 11.200, does not constitute a waiver by the debtor of any applicable statute of limitations set forth in NRS 11.190 that otherwise precludes the collection of the **[debt,] claim;** and

(b) If the debtor does not understand or has questions concerning his or her legal rights or obligations relating to the **[debt,] claim**, the debtor should seek legal advice.

3. As used in this section, "hospital" has the meaning ascribed to it in NRS 449.012.

Sec. 34. NRS 649.334 is hereby amended to read as follows:

649.334 1. The terms and conditions of any written agreement between a collection agency and a customer must be specific, intelligible and unambiguous. In the absence of a written agreement, unless the conduct of the parties indicates a different mutual understanding, the understanding of the customer concerning the terms of the agreement must govern in any dispute between the customer and the collection agency.

2. Unless a written agreement between the parties otherwise provides, any money collected on a claim, after court costs have been recovered, must first be credited to the principal amount of the claim. Any interest charged and collected on the claim must be allocated pursuant to the agreement between the customer and the collection agency.

3. Except with the consent of its customer, a collection agency shall not accept less than the full amount of a claim in settlement of an assigned claim.

4. A collection agency shall, at the time it remits to the customer the money it collected on behalf of the customer, give each customer an accounting in writing of the money it collected on behalf of the customer in connection with a claim.

5. This section does not apply to a debt buyer who is not also collecting claims on behalf of parties who are not affiliated with the debt buyer.

Sec. 35. NRS 649.3345 is hereby amended to read as follows:

649.3345 1. Unless a written agreement between the parties otherwise provides, a customer may withdraw, without obligation, any claim assigned to a collection agency at any time 6 months after the date of the assignment if:

(a) The customer gives written notice of the withdrawal to the collection agency not less than 60 days before the effective date of the withdrawal; and

(b) The claim is not in the process of being collected.

2. As used in this section, “in the process of being collected,” means that:

- (a) A payment on the claim has been received after the date of the assignment;
- (b) An action on the claim has been filed by or on behalf of the collection agency;
- (c) The claim has been forwarded to another collection agency for collection;
- (d) A lawful and sufficient claim or notice of lien has been filed by the collection agency on behalf of the customer to ensure payment from money distributed in connection with the probate of an estate, proceeding in bankruptcy, assignment for the benefit of creditors or any similar proceeding; or
- (e) The collection agency has obtained from the debtor an enforceable written promise to make payment.

3. Upon the withdrawal of any claim, the collection agency shall return to the customer any documents, records or other items relating to the claim that have been supplied by the customer.

4. This section does not apply to a debt buyer who is not also collecting claims on behalf of parties who are not affiliated with the debt buyer.

Sec. 36. NRS 649.345 is hereby amended to read as follows:

649.345 1. Each licensed collection agency shall file with the Commissioner a written report, signed and sworn to by its ***compliance*** manager, no later than ***[January 31] April 15*** of each year, unless the Commissioner determines that there is good cause for later filing of the report. The report must include:

- (a) ***[The] If applicable, the*** total sum of money due to all creditors as of the close of the last business day of the preceding month.
- (b) ***[The] If applicable, the*** total sum on deposit in customer trust fund accounts and available for immediate distribution as of the close of the last business day of the preceding month, the title of the trust account or accounts, and the name of the banks or credit unions where the money is deposited.
- (c) ***[The] If applicable, the*** total amount of creditors’ or forwarders’ share of money collected more than 60 days before the last business day of the preceding month and not remitted by that date.
- (d) When the total sum under paragraph (c) exceeds \$10, the name of each creditor or forwarder and the respective share of each in that sum.
- (e) Such other information, audit or reports as the Commissioner may require.

2. The filing of any report required by this section which is known by the collection agency to contain false information or statements constitutes grounds for the suspension of the agency’s license or the ***compliance*** manager’s certificate, or both.

Sec. 37. NRS 649.347 is hereby amended to read as follows:

649.347 1. Each licensed collection agency shall file with the Commissioner a written report not later than January 31 of each year, unless the Commissioner determines that there is good cause for later filing of the report. The report must include:

- (a) The number of cases in which the collection agency collected a ***[debt] claim*** for a unit-owners’ association during the immediately preceding year;
- (b) The name of each unit-owners’ association for which the collection agency collected a ***[debt] claim*** during the immediately preceding year and the amount of money collected for each such unit-owners’ association;
- (c) The total amount of money collected by the collection agency for unit-owners’ associations during the immediately preceding year;
- (d) The zip code of each debtor from whom the collection agency collected a ***[debt] claim*** for a unit-owners’ association during the immediately preceding year; and
- (e) A statement, signed by the ***compliance*** manager of the collection agency, affirming that the collection agency did not collect a ***[debt] claim*** against any person during the immediately

preceding year in violation of the provisions of paragraph (i) of subsection 1 of NRS 649.375.

2. As used in this section, “unit-owners’ association” has the meaning ascribed to it in NRS 116.011 or 116B.030.

Sec. 38. NRS 649.355 is hereby amended to read as follows:

649.355 1. Every collection agency and collection agent shall openly, fairly and honestly conduct the collection agency business and shall at all times conform to the accepted business ethics and practices of the collection agency business.

2. Every licensee shall at all times maintain a separate account in a bank or credit union in which must be deposited all money collected. **[Except as otherwise provided in regulations adopted by the Commissioner pursuant to NRS 649.054, the]** *The* account must be maintained in a bank or credit union located in this State and bear some title sufficient to distinguish it from the licensee’s personal or general checking account and to designate it as a trust account, such as “customer’s trust fund account.” The trust account must at all times contain sufficient money to pay all money due or owing to all customers, and no disbursement may be made from the account except to customers or to pay costs advanced for those customers, except that a licensee may periodically withdraw from the account such money as may accrue to the licensee from collections deposited or from adjustments resulting from costs advanced and payments made directly to customers.

3. Every licensee maintaining a separate custodial or trust account shall keep a record of all money deposited in the account, which must indicate clearly the date and from whom the money was received, 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 money must be remitted to the creditors respectively entitled thereto within 30 days following the end of the month in which payment is received. The records and money are subject to inspection by the Commissioner or the Commissioner’s authorized representative. The records must be maintained at the premises in this State at which the licensee is authorized to conduct business.

4. If the Commissioner finds that a licensee’s records are not maintained pursuant to subsections 2 and 3, the Commissioner may require the licensee to deliver an audited financial statement prepared from his or her records by a certified public accountant who holds a certificate to engage in the practice of public accounting in this State. The statement must be submitted within 60 days after the Commissioner requests it. The Commissioner may grant a reasonable extension for the submission of the financial statement if an extension is requested before the statement is due.

5. Subsections 2, 3 and 4 do not apply to a debt buyer who is not also collecting claims on behalf of parties who are not affiliated with the debt buyer.

Sec. 39. NRS 649.365 is hereby amended to read as follows:

649.365 1. A collection agency licensed under this chapter must obtain the approval of the Commissioner before using or changing a business name.

2. A collection agency licensed under this chapter shall not:

(a) **[Use]** ***Except as authorized for a debt buyer in NRS 649.075, use*** any business name which is identical or similar to a business name used by another collection agency licensed under this chapter or which may mislead or confuse the public.

(b) Use any printed forms which may mislead or confuse the public.

(c) Use the term “credit bureau” in its name unless it operates a bona fide credit bureau in conjunction with its collection agency business. For purposes of this paragraph, “credit bureau” means any person engaged in gathering, recording and disseminating information relative to the creditworthiness, financial responsibility, paying habits or character of persons being considered for credit extension for prospective creditors.

Sec. 40. NRS 649.375 is hereby amended to read as follows:

649.375 1. A collection agency, or its ***compliance*** manager, agents or employees, shall not:

(a) Use any device, subterfuge, pretense or deceptive means or representations to collect any **[debt,]** ***claim,*** nor use any collection letter, demand or notice which simulates a legal process or purports to be from any local, city, county, state or government authority or attorney.

(b) Collect or attempt to collect any interest, charge, fee or expense incidental to the principal obligation unless:

- (1) Any such interest, charge, fee or expense as authorized by law *or contract* or as agreed to by the parties has been added to the principal of the **[debt] claim** by the creditor before receipt of the item of collection;
 - (2) Any such interest, charge, fee or expense as authorized by law *or contract* or as agreed to by the parties has been added to the principal of the **[debt] claim** by the collection agency and described as such in the first written communication with the debtor; or
 - (3) The interest, charge, fee or expense has been judicially determined as proper and legally due from and chargeable against the debtor.
- (c) Assign or transfer any claim or account upon termination or abandonment of its collection business unless prior written consent by the customer is given for the assignment or transfer. The written consent must contain an agreement with the customer as to all terms and conditions of the assignment or transfer, including the name and address of the intended assignee. Prior written consent of the Commissioner must also be obtained for any bulk assignment or transfer of claims or accounts, and any assignment or transfer may be regulated and made subject to such limitations or conditions as the Commissioner by regulation may reasonably prescribe.
 - (d) Operate its business or solicit claims for collection from any location, address or post office box other than that listed on its license or as may be prescribed by the Commissioner **[.]**, *except for employees of a collection agency working from a remote location pursuant to sections 7 to 10, inclusive, of this act.*
 - (e) Harass a debtor's employer in collecting or attempting to collect a claim, nor engage in any conduct that constitutes harassment as defined by regulations adopted by the Commissioner.
 - (f) Advertise for sale or threaten to advertise for sale any claim as a means to enforce payment of the claim, unless acting under court order.
 - (g) Publish or post, or cause to be published or posted, any list of debtors except for the benefit of its stockholders or membership in relation to its internal affairs.
 - (h) Conduct or operate, in conjunction with its collection agency business, a debt counseling or prorater service for a debtor who has incurred a **[debt] claim** primarily for personal, family or household purposes whereby the debtor assigns or turns over to the counselor or prorater any of the debtor's earnings or other money for apportionment and payment of the **[debtor's debts] claim** or obligations **[.] of the debtor**. This section does not prohibit the conjunctive operation of a business of commercial debt adjustment with a collection agency if the business deals exclusively with the collection of commercial debt.
 - (i) Collect a **[debt] claim** from a person who owes fees to:
 - (1) A unit-owners' association, if the collection agency is:
 - (I) Owned or operated by or is an affiliate of a person or entity who is the community manager for the unit-owners' association; or
 - (II) Owned or operated by a relative of a person who is the community manager for the unit-owners' association.
 - (2) A person or entity who is an operator of a tow car, if the collection agency is:
 - (I) Owned or operated by or is an affiliate of a person or entity who is the operator of a tow car; or
 - (II) Owned or operated by a relative of a person who is the operator of a tow car.
 - (3) A person or entity who engages in the business of, acts in the capacity of or assumes to act as a property manager of an apartment building, if the collection agency is:
 - (I) Owned or operated by or is an affiliate of the person or entity who engages in the business of, acts in the capacity of or assumes to act as the property manager of an apartment building; or
 - (II) Owned or operated by a relative of the person who engages in the business of, acts in the capacity of or assumes to act as the property manager of an apartment building.
 - (j) File a civil action to collect a debt when the collection agency, compliance manager, agent or employee knows or should know that the applicable limitation period for filing such an action has expired.*
 - (k) Sell an interest in a resolved claim or any personal or financial information related to the resolved claim.*
2. As used in this section:
- (a) "Affiliate" means a person who directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with another designated person.
 - (b) "Community manager" has the meaning ascribed to it in NRS 116.023 or 116B.050.

(c) “Operator of a tow car” means a person or entity required by NRS 706.4463 to obtain a certificate of public convenience and necessity.

(d) “Property manager” has the meaning ascribed to it in NRS 645.0195.

(e) “Relative” means a person who is related by blood, adoption, marriage or domestic partnership within the third degree of consanguinity or affinity.

(f) “Unit-owners’ association” has the meaning ascribed to it in NRS 116.011 or 116B.030.

Sec. 41. NRS 11.200 is hereby amended to read as follows:

11.200 **1.** The time in NRS 11.190 shall be deemed to date from the last transaction or the last item charged or last credit given; and whenever any payment on principal or interest has been or shall be made upon an existing contract, whether it be a bill of exchange, promissory note or other evidence of indebtedness if such payment be made after the same shall have become due, the limitation shall commence from the time the last payment was made.

2. Notwithstanding any other provision of law, any payment on a debt, affirmation of a debt or other activity taken relating to a debt by a debtor after the time in NRS 11.190 has expired does not revive the applicable limitation.

Secs. 42-47. (Deleted by amendment.)

Sec. 48. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 224.240, 226.300, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 232.1369, 233.190, 237.300, 239.0105, 239.0113, 239.014, 239B.026, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 239C.420, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150, 268.095, 268.0978, 268.490, 268.910, 269.174, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 284.4086, 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.5757, 293.870, 293.906, 293.908, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.2242, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.033, 391.035, 391.0365, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 393.045, 394.167, 394.16975, 394.1698, 394.447, 394.460, 394.465, 396.1415, 396.1425, 396.143, 396.159, 396.3295, 396.405, 396.525, 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 414.280, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407, 432B.430, 432B.560, 432B.5902, 432C.140, 432C.150, 433.534, 433A.360, 439.4941, 439.4988, 439.840, 439.914, 439A.116, 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 442.774, 445A.665, 445B.570, 445B.7773, 447.345, 449.209, 449.245, 449.4315, 449A.112, 450.140, 450B.188, 450B.805, 453.164, 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940, 481.063, 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484A.469, 484B.830, 484B.833, 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098,

598A.110, 598A.420, 599B.090, 603.070, 603A.210, 604A.303, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.2671, 630.2672, 630.2673, 630.30665, 630.336, 630A.327, 630A.555, 631.332, 631.368, 632.121, 632.125, 632.3415, 632.3423, 632.405, 633.283, 633.301, 633.4715, 633.4716, 633.4717, 633.524, 634.055, 634.1303, 634.214, 634A.169, 634A.185, 635.111, 635.158, 636.262, 636.342, 637.085, 637.145, 637B.192, 637B.288, 638.087, 638.089, 639.183, 639.2485, 639.570, 640.075, 640.152, 640A.185, 640A.220, 640B.405, 640B.730, 640C.580, 640C.600, 640C.620, 640C.745, 640C.760, 640D.135, 640D.190, 640E.225, 640E.340, 641.090, 641.221, 641.2215, 641.325, 641A.191, 641A.217, 641A.262, 641B.170, 641B.281, 641B.282, 641C.455, 641C.760, 641D.260, 641D.320, 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, **649.095**, 652.126, 652.228, 653.900, 654.110, 656.105, 657A.510, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450, 673.480, 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.710, 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159, 711.600, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate, including, without limitation, electronically, the confidential information from the information included in the public book or record that is not otherwise confidential.

4. If requested, a governmental entity shall provide a copy of a public record in an electronic format by means of an electronic medium. Nothing in this subsection requires a governmental entity to provide a copy of a public record in an electronic format or by means of an electronic medium if:

(a) The public record:

(1) Was not created or prepared in an electronic format; and

(2) Is not available in an electronic format; or

(b) Providing the public record in an electronic format or by means of an electronic medium would:

(1) Give access to proprietary software; or

(2) Require the production of information that is confidential and that cannot be redacted, deleted, concealed or separated from information that is not otherwise confidential.

5. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in the medium that is requested because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 49. Section 6 of this act is hereby amended to read as follows:

Sec. 6. **1.** A collection agency shall display on any Internet website maintained by the collection agency:

[1.] (a) The [license number issued to] *unique identifier registered with the Registry for* the collection agency . [by the Commissioner pursuant to NRS 649.135; and

2.] (b) The certificate identification number of the certificate issued to the compliance manager of the collection agency by the Commissioner pursuant to NRS 649.225.

(c) *The unique identifier registered with the Registry for the compliance manager of the collection agency.*

2. As used in this section, “unique identifier” has the meaning ascribed to it in NRS 649.281.

Sec. 50. 1. Notwithstanding the amendatory provisions of this act, a debt buyer who is operating in this State on October 1, 2023, may continue such operations until January 1, 2024, without applying for a license as a collection agency pursuant to NRS 649.095, as amended by section 20 of this act. If the debt buyer applies for such a license on or before January 1, 2024, the debt buyer may continue such operation in this State without holding such a license until the license is issued or the application is denied.

2. The amendatory provisions of this act do not apply to an action or arbitration commenced or a judgment entered before October 1, 2023.

3. As used in this section:

(a) “Collection agency” has the meaning ascribed to it in NRS 649.020, as amended by section 14 of this act.

(b) “Debt buyer” has the meaning ascribed to it in section 3 of this act.

Sec. 51. The Legislative Counsel shall:

1. In preparing the Nevada Revised Statutes, use the authority set forth in subsection 10 of NRS 220.120 to substitute appropriately the term “compliance manager” for the term “manager” as previously used in reference to the person responsible for a collection agency.

2. In preparing supplements to the Nevada Administrative Code, substitute appropriately the term “compliance manager” for the term “manager” as previously used in reference to the person responsible for a collection agency.

Sec. 52. NRS 649.054, 649.145, 649.171 and 649.315 are hereby repealed.

Sec. 53. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 48, inclusive, 50, 51 and 52 of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On October 1, 2023, for all other purposes.

3. Section 49 of this act becomes effective on the date on which the Commissioner of Financial Institutions notifies the Governor and the Director of the Legislative Counsel Bureau that the Nationwide Multistate Licensing System and Registry has sufficient capabilities to allow the Commissioner to carry out the provisions of chapter 347, Statutes of Nevada 2021, at page 2030.