STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

SANDY O'LAUGHLIN
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

Minutes of Workshop to Solicit Comments on Proposed Regulations NAC 675 and NAC 604A

Date: October 14, 2025

Time: 9:30 a.m.

Locations:
Physical in-person location:
Nevada State Business Center, Nevada Room, 4th Floor
3300 W. Sahara Avenue, Las Vegas, Nevada 89102

Virtual location:
Microsoft Teams meeting- videoconference and teleconference

Agenda Item 1. Call to Order:
The workshop to consider regulations to revise NAC Chapters 675 and 604A was called to order Tuesday, October 14, 2025, at 9:31 a.m. The purpose of the workshop was to receive input with respect to the proposed regulations pertaining to NAC Chapters 675 and 604A, as described by the Notice of Workshop dated and posted on September 25, 2025.

Financial Institutions Division Staff Present In-Person at the Hearing:
Commissioner Sandy O'Laughlin
Deputy Commissioner Mary Young
Certified Public Accountant Angela Shanks
Examiner Jennnifer Ramsay

Also present, FID's counsel Deputy Attorney General Paige Magaster

Agenda Item 2. Comments by General Public:
There were two comments during this general public comment period.

- **Laura Tooker, Nevadans for the Common Good**.
  In 2019 Nevadans for the common good worked hard for the passage of SB 201, which created a statewide database to track high interest short-term payday loans and provide upfront protection for individuals. During that time, we heard story after story from people of diverse economic, educational, and ethnic backgrounds about how they or someone they love had been trapped in a cycle of debt because of predatory lending. That legislation was a major step forward in providing long overdue consumer protections and giving thousands of Nevadans a fairer financial playing field. But the regulations being considered today, as they are written, would be a step backward. They could allow lenders through their marketing and conversations with clients to mislead borrowers about what's possible, even to engage in bait-and-switch tactics. That hurts consumers and it hurts the most vulnerable members of our community the most. We support these regulations be sent back to the legislature for further review. If that cannot happen, we ask that they be rewritten to provide stronger protections for people at risk. With so many Nevadans facing greater financial insecurity today, we need more consumer protection not less. (Written comment was also received.)

- **Taylor Altman, Consumer Rights Project at Legal Aid Center of Southern Nevada**.
  I offer comments today in opposition to the proposed regulations as well as some alternatives that could minimize their negative impact on Nevadans. First permitting a lender to offer high interest loans under NRS 604A and lower interest loans with fewer consumer protections under NRS 675 at the same location puts Nevadans at significant risk. It's not clear whether this is legal at all. Both NRS 675.230(1) and NRS 604A.655(1) prohibit licensees from making loans in a location where other businesses solicited or engaged in with very limited exceptions. Had the Legislature intended to allow NRS 604A lenders to offer NRS 675 loans in the same location or vice versa it would have done so. Instead, the Legislature kept the 2 types of loans separate as part of a comprehensive set of consumer protections intended to limit the harm of high interest lending. Second, allowing both lower interest and high interest loans to be offered at the same location encourages lenders to push struggling borrowers who initially agreed to lower interest loans toward more harmful higher interest alternatives. This is deceptive and destructive. It incentivizes lenders to offer higher interest loans to borrowers who will likely default, providing more customers for an industry whose volume has dropped significantly according to responses to the small business impact study. Third, although the proposed regulations prohibit a lender from directly rolling over a loan made under one chapter to a loan made under the other chapter, the protections are still insufficient. Borrowers at risk of default can be encouraged to use money that they would have spent on rent and food to pay off their loan then return to the lender the same day to take out a loan under the other chapter. They become trapped on the debt treadmill.

I believe the Legislature is in the best position to evaluate whether a lender could offer loans under each chapter at the same location. However, if the regulations must be adopted before the laws are amended, the following consumer protections would minimize harm.

1. Prohibit dual licensees from offering loans under one chapter to customers who have taken out loans under the other chapter for 6 months allowing them time to repay.
2. Require loans made under NRS 675 at a location that also offers loans under NRS 604A to be considered as part of a borrower's ability to repay in accordance with existing law NRS 604A.5017 and related statutes.
3. Prohibit lenders from commencing any civil action or process of alternative dispute resolution on a defaulted loan if the customer has ever taken out a loan from the lender made under NRS 604A.5057.
4. Require lenders offering loans under 604A.5057 to post a notice in a conspicuous place informing borrowers that the lender cannot sue to collect on these loans.
(Written comment was also received)

Agenda Item 3. Presentation and Discussion of Proposed Regulation:
The proposed regulations, sections 1 through 4, were read in full.

After reading the proposed regulations aloud, FID requested comments on any of the sections. There were no comments received on sections 1 through 4.

Agenda Item 4. Public Comments:
There were three comments during this general public comment period.

- **Jonathan Norman, Nevada Coalition of Legal Service Providers**.
My colleague Taylor Altman gave our substitute comments on this. I just wanted to add that this this belongs in the purview of the Legislature because we are asking to allow this dual licensure, and it can't be that corporations can subvert our legislature by going through regulations. I think that's what fundamentally is happening here. With the litigation that led to this started before session, we could have gone through this in the 2025 legislative session, had the deliberative body decide if they want to license in both chapters and we'll have an opportunity to do the same in 2027. I believe these regulations should be rejected and that this should be sent to the Legislature.

- **Barbara Paulsen, Nevadans for the Common Good**.
I just want to reiterate how important it is to look at these regulations very carefully by allowing what it currently states in terms of people to be licensed in both of these areas. It actually opens the door and makes it extremely easy to force any unscrupulous actors to take advantage of being able to sway people who do not have sound financial background to analyze these and determine whether this would be better for me or the other one would be better for me and so we see this really sets back consumer protections very badly if it goes through as written so we support it being back to the Legislature or specific steps put in case in place that are going to prevent the possibility of bait-and-switch to consumers.

- **Riley Svendsen, Nevada Coalition to End Domestic and Sexual Violence**.
  We're here today speaking in opposition to the proposed regulations, and we have some serious concerns regarding economic abuse, which occurs in approximately 99% of domestic violence cases and is one of the most powerful tactics used to trap victim survivors in violent relationships. Common tactics of economic abuse includes controlling access to money, destroying credit and taking out debt in the victim's name, which makes it nearly impossible for victim survivors to establish the financial independence necessary to leave unsafe situations when victim survivors do attempt to leave, they often have poor credit, limited savings and urgent financial needs for housing deposits, transportation and basic necessities. In these vulnerable moments, access to fair lending options can mean the difference between safety and returning to an abuser. From a violence prevention standpoint, we must understand that financial stability is the foundation for safety. Our work to prevent violence and support victim survivors cannot succeed if we allow predatory lending practices that trap people in cycles of debt and dependency. The economic pressure on Nevadans is tremendous. We should be expanding pathways to economic stability, not creating additional opportunities for exploitation. When we allow practices that push vulnerable people into high interest debt, we undermine violence prevention efforts. We make it harder for people to leave violent situations harder to maintain independence after leaving, and harder to build the economic foundation necessary for long term safety. The Nevada Coalition to End Domestic and Sexual Violence urges the Financial Institutions Divisions to reject these proposed regulations.
  The separation between high interest lending and installment lending exists to protect consumers at their most vulnerable. These regulations erode that protection, economic justice and violence prevention are deeply intertwined. Today you have the opportunity to uphold consumer protections and keep Nevadans safer. We urge you to do so.

Following the conclusion of this general public comment period, FID requested that anyone who commented during the workshop please also submit the comment in writing.

<u>Agenda Item 5. Close Workshop (Adjournment):</u>

The workshop pertaining to Nevada Administrative Code Chapters 675 and 604A was closed and adjourned on October 14, 2025, at 9:50 a.m.

To review and/or listen to comments in their entirety, please refer to the attached written comments and/or the audio recording of the workshop. The audio recording can be found online at www.fid.nv.gov/opinion/proposed_regulations.

DRAFT PROPOSED REGULATION OF THE COMMISSIONER OF THE FINANCIAL INSTITUTIONS DIVISION

LCB File No. XXX-XX

March 12, 2025

Purpose: To adopt regulations under the Nevada Administrative Code to support dual licensure under chapters 675 and 604A.

Authority: NRS 675.170, NRS 675.230, NRS 604A.300 and NRS 604A.655

Explanation: Material in ***bold italics*** is new.

Section 1. Chapter 675 of NAC is hereby amended by adding thereto the provisions set forth as section 2 of this regulation.

Sec. 2. ***A person or entity licensed under this chapter may only conduct the business of making loans under NRS Chapter 604A in the same location as it conducts the business of making loans under this chapter, subject to all of the following conditions:***

1. ***The licensee shall maintain a separate license to conduct business at that location under NRS Chapter 604A and NRS Chapter 675;***
2. ***The licensee shall not issue a loan under this chapter where any of the proceeds of the loan will be used to pay in full or in part a loan made by the licensee under NRS Chapter 604A;***
3. ***The licensee shall not issue a loan under NRS Chapter 604A where any of the proceeds of the loan will be used to pay in full or in part a loan made by the licensee under this chapter;***

4. ***The licensee shall separately maintain any and all books, records, and data for NRS Chapter 604A loans and NRS Chapter 675 loans for purposes of examination by the Commissioner but will not be required to purchase or maintain separate software platforms to maintain data separately.***
5. ***The licensee shall post in a conspicuous place in every location at which the licensee conducts business under his or her license the fees and rates it charges for its loan services offered under this chapter; and***
6. ***The licensee shall maintain specific and verifiable documentation of the loan proceeds at the time of loan disbursement.***

Sec. 3. Chapter 604A of NAC is hereby amended by adding thereto the provisions set forth as section 4 of this regulation.

Sec. 4. ***A person or entity licensed under this chapter may only conduct the business of making loans under NRS Chapter 675 in the same location as it conducts the business of making loans under this chapter, subject to all of the following conditions:***

1. ***The licensee shall maintain a separate license to conduct business at that location under NRS Chapter 604A and NRS Chapter 675;***
2. ***The licensee shall not issue a loan under this chapter where any of the proceeds of the loan will be used to pay in full or in part a loan made by the licensee under NRS Chapter 675;***
3. ***The licensee shall not issue a loan under NRS Chapter 675 where any of the proceeds of the loan will be used to pay in full or in part a loan made by the licensee under this chapter;***

4. ***The licensee shall separately maintain any and all books and records, and data for NRS Chapter 604A loans and NRS Chapter 675 for purposes of examination by the Commissioner, but will not be required to purchase or maintain separate software platforms to maintain data separately.***
5. ***The licensee shall post in a conspicuous place in every location at which the licensee conducts business under his or her license the fees and rates it charges for its loan services offered under this chapter; and***
6. ***The licensee shall maintain specific and verifiable documentation of the loan proceeds at the time of loan disbursement.***

Good morning, members of the Committee. My name is Taylor Altman and I am a staff attorney in the Consumer Rights Project at Legal Aid Center of Southern Nevada. I offer comments today in opposition to the proposed regulations as well as some alternatives that would minimize their negative impact on Nevadans.

First, permitting a lender to offer high-interest loans under NRS 604A and lower-interest loans with fewer consumer protections under NRS 675 at the same location puts Nevadans at significant risk. In fact, it's not clear whether it's legal at all. Both NRS 675.230(1) and NRS 604A.655(1) prohibit licensees from making loans in a location where other business is solicited or engaged in with very limited exceptions. Had the legislature intended to allow NRS 604A lenders to offer NRS 675 loans in the same location, or vice versa, they would have done so. Instead, the legislature kept the two types of loans separate as part of a comprehensive set of consumer protections intended to limit the harm of high-interest lending.

Second, allowing both lower-interest and high-interest loans to be offered at the same location encourages lenders to push struggling borrowers who initially agreed to lower-interest loans toward more harmful higher-interest alternatives. This is deceptive and destructive. It incentivizes lenders to offer higher-interest loans to borrowers who will likely default, providing more customers for an industry whose volume has dropped significantly, according to the Small Business Impact Study.

Third, although the proposed regulations prohibit a lender from directly rolling over a loan made under one chapter to a loan made under the other chapter, these protections are still insufficient. Borrowers at risk of default can be encouraged to use money for rent and food to pay off their loan, then return to the lender the same day to take out a loan under the other chapter. They become trapped on the debt treadmill.

The legislature is in the best position to evaluate whether a lender could offer loans under each chapter at the same location. However, if regulations must be adopted before the laws are amended, the following consumer protections would minimize harm:

1. Prohibit dual licensees from offering loans under one chapter to customers who have taken out loans under the other chapter for six months.
2. Require loans made under NRS 675 at a location that also offers loans under NRS 604A to be considered as part of a borrower's ability to repay in accordance with NRS 604A.5017 and related statutes.
3. Prohibit lenders from commencing any civil action or process of alternative dispute resolution on a defaulted loan if the customer has ever taken out a loan from the lender made under NRS 604A.5057.
4. Require lenders offering loans under NRS 604A.5057 to post a notice in a conspicuous place informing borrowers that the lender cannot sue to collect these loans.

Thank you for allowing me to share my comments today. I am happy to take any questions.

Comment on Proposed Regulations Regarding NAC Chapters 604A and 675

Good morning.

My name is Laura Tooker, and I'm representing Nevadans for the Common Good — a broad-based organization of congregations and community organizations across Southern Nevada.

In 2019, Nevadans for the Common Good worked hard for the passage of SB201, which created a statewide database to track high-interest, short-term payday loans and provide up-front protection for individuals seeking these loans.

During that time, we heard story after story — from people of diverse economic, educational, and ethnic backgrounds — about how they or someone they love had been trapped in a cycle of debt because of predatory lending.

That legislation was a major step forward in providing long-overdue consumer protections and giving thousands of Nevadans a fairer financial playing field.

But the regulations being considered today, as they are written, would be a step backward.

They could allow lenders, through their marketing and conversations with clients, to mislead borrowers about what's possible — even to engage in bait-and-switch tactics.

That hurts consumers.

And it hurts the most vulnerable members of our community the most.

We strongly support the position of the Nevada Coalition of Legal Service Providers in urging that these regulations be sent back to the legislature for further review.

And if that cannot happen, we ask that they be rewritten to provide stronger protections for people at risk.

With so many Nevadans facing greater financial insecurity today, we need more consumer protection — not less.

Thank you.

NEVADANS FOR THE COMMON GOOD

PLEASE SEND CORRESPONDENCE VIA MAIL TO:
c/o Holy Spirit Lutheran Church, 6670 West Cheyenne, Las Vegas, NV 89108

EMAIL: NCG.LasVegas@Gmail.com

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