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United States • Nevada Real Estate Salesperson License Exam

Nevada

Study Guide

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CHAPTER 1

NRS 645 General provisions and definitions (645.0005–645.045)

1.1 Agency Relationship Definition

'Agency' means a relationship between a principal and an agent arising out of a brokerage agreement or property management agreement, whereby the agent is engaged to do certain acts on behalf of the principal in dealings with a third party. The term does not include a relationship arising solely from negotiations or communications with a client of another broker with that broker's written permission under NRS 645.635(2).

- ✓ Agency arises out of a brokerage agreement or property management agreement
- ✓ Agency requires the agent to act on behalf of the principal in dealings with a third party
- ✓ Communications with another broker's client (with written permission) do not create an agency relationship

1.2 Brokerage Agreement Definition

A 'brokerage agreement' is a WRITTEN contract between a client and a broker in which the broker agrees to accept valuable consideration from the client or another person for assisting, soliciting or negotiating the sale, purchase, option, rental or lease of real property, or the sale, exchange, option or purchase of a business. It does NOT include a property management agreement.

- ✓ A brokerage agreement must be in writing
- ✓ A brokerage agreement does not include a property management agreement
- ✓ It covers sale, purchase, option, rental, or lease of real property, or sale/exchange/option/purchase of a business

1.3 Property Management and Related Definitions

'Property management' is the physical, administrative or financial maintenance and management of real property, or supervision of such activities, for compensation pursuant to a property management agreement. A 'property management agreement' is a WRITTEN contract between a client and broker to accept valuable consideration for providing property management. A 'property manager' is a person engaged in property management who, as employee or independent contractor, is associated with a licensed real estate broker, whether or not for compensation.

- ✓ Property management requires a property management agreement and compensation
- ✓ A property management agreement must be in writing
- ✓ A property manager must be associated with a licensed real estate broker

1.4 Real Estate Broker Definition

A 'real estate broker' is a person who, for another and for compensation (or expectation thereof): (a) sells, exchanges, options, purchases, rents, leases, negotiates, or lists/solicits prospective purchasers of real estate, improvements, or modular/used manufactured/mobile homes conveyed with real estate; (b) engages in the business of advance fees for promoting sale/lease of business opportunities or real estate; (c) engages in property management; or (d) engages in business brokerage. Aiding sale/lease of public lands for compensation also makes a person a broker. Excludes an employee accepting lodging reservations of 31 days or less who does no transfer-related tasks.

- ✓ A broker acts for another for compensation covering sale, lease, negotiation, property management, advance fees, or business brokerage
- ✓ One who aids/assists in the sale, purchase, rental or lease of public lands for compensation is a broker
- ✓ An employee accepting reservations for lodging rentals of 31 days or less (with no transfer duties) is not a broker

1.5 Exemptions From Chapter Applicability

Chapter 645 does not apply to certain persons: (a) an owner/lessor or their regular employee performing listed acts incident to management or investment in their own property ('management' means preserving/increasing income, NOT sales activities); (b) a broker's employee collecting rent on the broker's behalf; (c) a person performing property manager duties for one property while maintaining an office on that property (and managing no other property); and (d) a person managing a common-interest community, condo hotel, condominium project, time share, or PUD under specified NRS chapters if a member in good standing with proper credentials.

- ✓ Owners/lessors managing their own property are exempt, but 'management' excludes sales activities
- ✓ A broker's employee collecting rent on the broker's behalf is exempt
- ✓ A person managing only one property while keeping an office on it is exempt
- ✓ Managers of qualifying common-interest communities/condo hotels/time shares/PUDs with proper credentials are exempt

1.6 Advance Fee and Advance Fee Listing Definitions

An 'advance fee' is a fee contracted for, claimed, demanded, charged, received or collected for an advance fee listing, advertisement or offer to sell or lease property, issued to promote the sale or lease of a business or real estate before the last printing/issuance, other than by a newspaper of general circulation. An 'advance fee listing' includes names/lists of owners, landlords, lessors, or locations of property offered for rent/sale/lease/exchange; names/locations of prospective purchasers, buyers, lessees, or tenants; and brokerage agreements to render services or to locate/promote the sale or lease of a business or real estate for an advance fee.

- ✓ An advance fee is charged before the last printing/issuance and does not include newspapers of general circulation
- ✓ Advance fee listings include lists of property owners, prospective buyers, or brokerage agreements to promote sale/lease for an advance fee
- ✓ Publications intended for general circulation are excluded from advance fee listings

1.7 Client, Business, and Business Broker Definitions

A 'client' is a person who has entered into a brokerage agreement or property management agreement with a broker. A 'business' means the tangible assets and goodwill of an existing enterprise. A 'business broker' is a person who, acting for another and for compensation, sells/exchanges/rents/leases a business sold as part of an interest in real property, negotiates such transactions, or lists/solicits purchasers of a business where a component involves an interest in real property.

- ✓ A client is one who has entered into a brokerage OR property management agreement with a broker
- ✓ A business means the tangible assets and goodwill of an existing enterprise
- ✓ A business broker acts for another for compensation regarding a business sold as part of an interest/estate in real property

1.8 Broker-Salesperson and Salesperson Definitions

A 'real estate broker-salesperson' holds a broker's license (or passed the broker's exam) but is associated as an employee/independent contractor with a licensed broker as a salesperson, or with a registered owner-developer as a sales manager. A 'real estate salesperson' is a person associated as employee/independent contractor with a licensed broker or registered owner-developer to perform acts within the broker definition. In this chapter, 'real estate salesperson' includes 'real estate broker-salesperson' when applicable.

- ✓ A broker-salesperson holds a broker's license but works under another licensed broker or owner-developer
- ✓ A salesperson must be associated with a licensed broker or registered owner-developer
- ✓ The term 'real estate salesperson' includes 'broker-salesperson' when applicable

1.9 Key Administrative Definitions

'Administrator' means the Real Estate Administrator. 'Commission' means the Real Estate Commission. 'Director' means the Director of the Department of Business and Industry. 'Real Estate Division' and 'Division' mean the Real Estate Division of the Department of Business and Industry. These entities administer and enforce Chapter 645.

- ✓ The Administrator is the Real Estate Administrator; the Commission is the Real Estate Commission
- ✓ The Division is the Real Estate Division of the Department of Business and Industry
- ✓ The Director is the Director of the Department of Business and Industry

1.10 Real Estate and Owner-Developer Definitions

'Real estate' means every interest or estate in real property including freeholds, leaseholds, and interests in condominiums, townhouses or planned unit developments, corporeal or incorporeal, whether located in Nevada or elsewhere. An 'owner-developer' is a person who owns five or more lots within a recorded subdivision (or approved parcel map) on each of which there is a single-family residence not previously sold.

- ✓ Real estate includes interests whether the property is situated in Nevada or elsewhere
- ✓ An owner-developer owns five or more lots with previously-unsold single-family residences in a recorded subdivision

CHAPTER 2

Administration: Real Estate Division, Commission, Administrator (645.050–645.220)

2.1 Exemptions from Chapter 645 Licensing

Certain persons and entities are exempt from the licensing requirements of Chapter 645. These include banks, thrift companies, credit unions, trust companies, savings and loan associations, savings banks, and mortgage or farm loan associations dealing with property acquired for development, business use, or through foreclosure. Also exempt are corporations acting through regular officers (who receive no special compensation) regarding corporate property; attorneys performing their legal duties; court-appointed receivers, trustees in bankruptcy, administrators, or executors; trustees acting under trust agreements, deeds of trust, or wills; mining claim transactions; and the State of Nevada or its political subdivisions.

- ✓ Banks and lending institutions are exempt when dealing with property acquired for development, business, or via foreclosure of loans they originated or hold
- ✓ Attorneys performing duties as attorneys, and court-supervised receivers/trustees/executors are exempt
- ✓ Corporations acting through regular officers who receive no special compensation for property of the corporation are exempt
- ✓ The State of Nevada and its political subdivisions, and mining claim transactions, are exempt

2.2 Real Estate Commission: Creation and Powers

The Real Estate Commission consists of five members appointed by the Governor. The Commission acts in an advisory capacity to the Real Estate Division, adopts regulations, and conducts hearings. It must adopt regulations establishing standards for the operation of licensees' offices and for their business conduct and ethics. The Commission may delegate authority to the Administrator by regulation. Service of process may be made at the principal office of the Real Estate Division.

- ✓ The Commission consists of five members appointed by the Governor
- ✓ The Commission acts in an advisory capacity to the Division, adopts regulations, and conducts hearings
- ✓ The Commission must adopt regulations for standards of office operation and business conduct and ethics
- ✓ The Commission may delegate its authority to the Administrator by regulation

2.3 Real Estate Division Administers Chapter 645

Chapter 645 is administered by the Real Estate Division, which operates subject to administrative supervision by the Director. The Division carries out the day-to-day implementation of Nevada's real estate licensing law.

- ✓ The Real Estate Division administers all provisions of Chapter 645
- ✓ The Division is subject to administrative supervision by the Director

2.4 Commission Members: Consecutive Service Limit

Commission members are eligible for reappointment but may not serve more than 6 years consecutively. After serving 6 consecutive years, a member is ineligible for reappointment until 3 years have elapsed. When a successor fills an unexpired term, that time does not count toward the 6-year limit unless the unexpired balance exceeds 18 months.

- ✓ Members may not serve more than 6 years consecutively
- ✓ After 6 consecutive years, a member must wait 3 years before reappointment
- ✓ Time served filling an unexpired term counts toward the 6-year limit only if the unexpired balance exceeds 18 months

2.5 Commission Members: Qualifications

Each Commission member must be a U.S. citizen, a Nevada resident for at least 5 years, and actively engaged in business as either a real estate broker in Nevada for at least 3 years immediately preceding appointment, or as a real estate broker-salesperson in Nevada for at least 5 years immediately preceding appointment. Members must take the constitutional oath of office and swear they are legally qualified.

- ✓ Members must be U.S. citizens and Nevada residents for at least 5 years
- ✓ Members must have been a real estate broker in Nevada for at least 3 years, OR a broker-salesperson for at least 5 years, immediately preceding appointment
- ✓ Members must take the constitutional oath and swear they are legally qualified

2.6 Administrator: Qualifications and Restrictions

The Administrator must possess broad knowledge of generally accepted real estate practice and be reasonably well informed on laws governing real estate agency contracts. The Administrator may not be interested in any real estate firm or brokerage firm, nor act as a broker, salesperson, or agent. The same conflict-of-interest restriction applies to all employees of the Real Estate Division.

- ✓ The Administrator must have broad knowledge of real estate practice and agency contract law
- ✓ The Administrator may not be interested in any real estate or brokerage firm, nor act as a broker/salesperson/agent
- ✓ No employee of the Division may be interested in a real estate or brokerage firm or act as a broker/salesperson/agent

2.7 Regular Inspection of Broker Records

The Division must regularly inspect the transaction files, trust records, and pertinent real estate business accounts of all real estate brokers and owner-developers to ensure compliance with Chapter 645. The Commission adopts regulations pertaining to these inspections.

- ✓ The Division must regularly inspect brokers' and owner-developers' transaction files, trust records, and business accounts
- ✓ The Commission adopts regulations governing these inspections

2.8 Division Duty to Prepare Duties Owed Forms

The Division must prepare and distribute to licensees and property managers forms setting forth the duties owed: one for a licensee/property manager acting for only one party, one for acting for more than one party, and one for a broker who assigns different affiliated licensees or property managers to separate parties in a transaction or property management agreement.

- ✓ The Division prepares a 'Duties Owed' form for acting for only one party
- ✓ The Division prepares a form for acting for more than one party (dual representation)
- ✓ The Division prepares a form for a broker assigning different affiliated licensees to separate parties

2.9 Commission Members: Regional Residency

Of the five Commission members: three must reside or have a principal place of business in Clark County; one in Washoe County; and one in Carson City or one of the specified rural counties (Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, or White Pine). This apportionment aims for proportional regional representation and is reconsidered after each decennial census.

- ✓ Three members must be from Clark County; one from Washoe County; one from Carson City or specified rural counties
- ✓ Apportionment is intended to give proportional regional representation and is reconsidered after each decennial census
- ✓ If no qualified person from a region is willing to serve, statutory fallback rules govern appointment or the seat is left vacant

2.10 Commission Officers, Meetings and Quorum

At the first meeting of each fiscal year, the Commission elects a President, Vice President, and Secretary. The Commission holds at least two regular meetings annually—one in the southern part and one in the northern part of the State. A majority of the Commission constitutes a quorum, and the act of the majority in session constitutes the act of the Commission. A vacancy does not impair the remaining members' power to act. Written notice of meetings must be given at least 3 working days before.

- ✓ A majority of the Commission constitutes a quorum, and the act of the majority in session is the act of the Commission
- ✓ At least two regular meetings must be held annually, one in the north and one in the south
- ✓ A vacancy does not impair the remaining members' authority to act
- ✓ Written notice of meetings must be given at least 3 working days in advance

2.11 Division Records: Public Inspection and Confidentiality

The Division adopts a seal to authenticate its proceedings. Division records are generally open to public inspection, but the Division may refuse to make public (unless ordered by a court) real estate brokers' and salespersons' examinations and the criminal and financial records of licensees, applicants, and owner-developers. Certified copies of Division records are admissible in court with the same effect as originals.

- ✓ Division records are open to public inspection except examinations and criminal/financial records, which may be withheld unless a court orders disclosure
- ✓ Certified and sealed copies of Division records are admissible in court equally with the originals

2.12 Injunctions and Fraud Investigations

When the Division believes a person has violated or is about to violate Chapter 645, it may bring an action in its own name in district court to enjoin the violation. No preliminary injunction or TRO may be granted without at least 5 days' notice to the opposite party. The Division may also investigate suspected fraud, deceit, or false advertising in transactions involving vacant/unimproved land or subdivisions outside city limits, and refer evidence to the Attorney General or district attorney for legal action.

- ✓ The Division may bring an action in its own name to enjoin violations of Chapter 645
- ✓ No preliminary injunction or temporary restraining order may be granted without at least 5 days' notice to the opposite party
- ✓ The Division may investigate and refer fraud/deceit/false advertising in unimproved land or subdivision transactions to the Attorney General or district attorney

CHAPTER 3

Regulation of practices: license required, exemptions, duties of licensees, agency disclosures, property management permits (645.230–645.6058)

3.1 License Required to Engage in Real Estate Activity

NRS 645.230 makes it unlawful for any person, LLC, partnership, association, or corporation to engage in, act in the capacity of, advertise, or assume to act as a real estate broker, broker-salesperson, or salesperson within Nevada without first obtaining the appropriate license from the Real Estate Division. Additional activities require additional credentials: property management requires both a license AND a permit; business brokerage requires a license AND a business broker permit (NRS 645.863). Designated property managers must comply with NRS 645.6055 and designated business brokers with NRS 645.867.

- ✓ No person may act as a broker, broker-salesperson, or salesperson in Nevada without first obtaining a license from the Real Estate Division
- ✓ Property management requires a real estate license PLUS a permit to engage in property management
- ✓ Business brokerage requires a real estate license PLUS a business broker permit under NRS 645.863
- ✓ Even advertising or assuming to act in these capacities without a license is unlawful

3.2 Duties of Licensee Acting as Agent

NRS 645.252 requires a licensee acting as an agent to disclose to each party, as soon as practicable: material and relevant facts about the property known or reasonably knowable; each source of compensation; that the licensee is a principal or has an interest in a principal; that the licensee is acting for more than one party (with written consent required); and any changes in relationship. The licensee must exercise reasonable skill and care toward all parties and provide the Division's duties disclosure form (NRS 645.193) to each represented party and each unrepresented party. Unless agreed in writing, the licensee owes no duty to independently verify statements of certified inspectors/experts, inspect a party's finances, or investigate the property's condition.

- ✓ A licensee must disclose material facts about the property known or reasonably knowable, as soon as practicable
- ✓ A licensee must disclose all sources of compensation and any interest as a principal in the transaction
- ✓ Dual representation requires written consent that includes specified statements (conflict of interest, confidentiality, non-coercion, etc.)
- ✓ The licensee must provide the Division's duties-owed disclosure form to represented and unrepresented parties, and owes no duty to independently verify experts, inspect finances, or investigate property condition unless agreed in writing

3.3 Dual Representation Written Consent Requirements

When a licensee acts for more than one party under NRS 645.252(1)(d), the licensee must obtain written consent from each party before continuing. The written consent must include: a description of the transaction; a statement that the licensee acts for parties with adverse interests and has a conflict of interest; a statement that confidential information will not be disclosed for 1 year after revocation/termination (absent court order or written permission); a statement that a party is not required to consent; and a statement that consent is given without coercion and the party understands its terms.

- ✓ A licensee acting for multiple parties must obtain each party's written consent before continuing to act
- ✓ The written consent must disclose the conflict of interest and adverse interests of the parties
- ✓ Confidential information cannot be disclosed for 1 year after termination unless ordered by court or authorized in writing
- ✓ The consent must state that the party is not required to consent and gives consent without coercion

3.4 Duties Under a Brokerage Agreement to Represent a Client

NRS 645.254 imposes additional duties on a licensee who has a brokerage agreement to represent a client: exercise reasonable skill and care to carry out the agreement; not disclose confidential client information for 1 year after revocation/termination (absent court order or written permission); seek a transaction at the client's price/terms or an acceptable price; present all offers as soon as practicable unless waived on a Division form; disclose known material facts about the transaction; advise the client to seek expert advice beyond the licensee's expertise; and account for all money/property in which the client may have an interest as soon as practicable.

- ✓ A representing licensee must present all offers as soon as practicable unless the client waives on a Division-prescribed form
- ✓ Confidential client information may not be disclosed for 1 year after termination absent court order or written permission
- ✓ The licensee must advise the client to obtain expert advice on matters beyond the licensee's expertise
- ✓ The licensee must account for all money and property in which the client may have an interest as soon as practicable

3.5 One Act Constitutes Acting as Broker/Salesperson

NRS 645.260 provides that any person or entity who, for another and for compensation or the expectation of compensation, does or offers or agrees to do any single act or transaction within the definition of a real estate broker (NRS 645.030) — whether an incidental part of a transaction or the entire transaction — is acting in the capacity of a broker or salesperson under Chapter 645.

- ✓ A single act for another for compensation triggers the requirement to be licensed
- ✓ The act may be incidental or the entire transaction and still constitutes broker/salesperson activity

3.6 Proof of Licensure Required to Sue for Compensation

NRS 645.270 provides that a person or entity acting as a broker or salesperson in Nevada may not commence or maintain any court action to collect compensation for acts under NRS 645.030 without alleging and proving they were a licensed broker or salesperson at the time the cause of action arose.

- ✓ A person cannot sue to collect real estate compensation without alleging and proving licensure
- ✓ Licensure must have existed at the time the cause of action arose

3.7 Sharing Commissions With Unlicensed Persons Prohibited

NRS 645.280 makes it unlawful for a licensed broker, broker-salesperson, or salesperson to pay any part of a commission, compensation, or finder's fee from a real estate transaction to any person who is not a licensed broker, broker-salesperson, or salesperson for services performed. A broker may pay a commission to a licensed broker of another state. A broker-salesperson or salesperson may not be associated with or accept compensation from anyone other than the broker or owner-developer under whom they are licensed, and may only pay commissions through that broker or owner-developer.

- ✓ Commissions or finder's fees may not be paid to unlicensed persons for services performed
- ✓ A Nevada broker may pay a commission to a licensed broker of another state
- ✓ A salesperson/broker-salesperson may accept compensation only from the broker or owner-developer under whom licensed and must pay commissions only through that broker/owner-developer

3.8 Trust Accounts, Commingling, and Recordkeeping

NRS 645.310 requires all deposits retained by a broker/owner-developer pending consummation or termination to be fully accounted for. Salespersons/broker-salespersons receiving money on behalf of a broker must promptly pay it to the broker/owner-developer. A broker must NOT commingle client money or property with the broker's own. Money belonging to others must be promptly deposited in a separate designated trust account in a Nevada bank or credit union; the broker is personally responsible and liable for the deposit. The broker must keep detailed records, balance each trust account at least monthly, provide the Division an annual reconciliation, notify the Division of banks/accounts, and designate the broker as trustee allowing withdrawal without prior notice. All records and money are subject to Division inspection and audit. If a broker with trust-account money dies or becomes mentally disabled, the Division may petition the district court to appoint a trustee.

- ✓ A broker must not commingle client money or property with the broker's own funds
- ✓ Money belonging to others must be promptly deposited in a separate designated trust account in a Nevada bank or credit union
- ✓ The broker must balance each trust account at least monthly and provide the Division an annual reconciliation
- ✓ Trust account records and money are subject to Division inspection and audit at all times
- ✓ Salespersons must promptly pay any received money over to their broker or owner-developer

3.9 Requirements for Exclusive Agency Brokerage Agreements

NRS 645.320 requires every brokerage agreement containing an exclusive agency representation provision to: have a definite, specified, and complete termination date in its terms; contain no provision requiring the client to notify the broker of intent to cancel exclusive features after termination; and be signed by both the client (or authorized representative) and the broker (or authorized representative) to be enforceable.

- ✓ An exclusive agency brokerage agreement must have a definite, specified, and complete termination date
- ✓ It may not require the client to notify the broker of intent to cancel exclusive features after termination
- ✓ It must be signed by both the client and the broker (or their authorized representatives) to be enforceable

3.10 Discriminatory Practices Prohibited

NRS 645.321 makes it unlawful to discriminate on account of race, religious creed, color, national origin, disability, sexual orientation, gender identity or expression, ancestry, familial status, or sex by: denying access/membership to any multiple-listing service, real estate brokers' organization, or dwelling sale/rental service or in the terms of such; or denying access to a residential real estate transaction or in its terms/conditions. Violations are punished by a $500 fine for the first offense; for a second offense, the licensee must show cause why the license should not be revoked. The statute defines 'disability' (physical/mental impairment substantially limiting major life activities, a record of, or being regarded as having such) and 'familial status' (living with a child under 18 with lawful custody or written permission).

- ✓ Discrimination in MLS access, brokers' organizations, or residential transactions on protected bases is unlawful
- ✓ Protected classes include race, religion, color, national origin, disability, sexual orientation, gender identity/expression, ancestry, familial status, and sex
- ✓ A first offense is a $500 fine; a second offense requires showing cause why the license should not be revoked

3.11 Enforcement and Prosecution of Unlicensed Activity

NRS 645.230 authorizes the Real Estate Division to prefer a complaint for a violation before any court of competent jurisdiction and to assist in presenting the law or facts at trial. The district attorney of each county must prosecute violations occurring in their county unless the Attorney General prosecutes. Upon request of the Administrator, the Attorney General shall prosecute a violation in lieu of the district attorney.

- ✓ The Real Estate Division may file a complaint in court and assist in prosecution of license-law violations
- ✓ District attorneys must prosecute violations in their county unless the Attorney General does so
- ✓ The Attorney General shall prosecute upon request of the Administrator, replacing the district attorney

3.12 Administrative Fine for Unlicensed Conduct

Under NRS 645.235, in addition to any other remedy or penalty, the Commission may impose an administrative fine against any person who knowingly engages or offers to engage in activity requiring a license/permit/certificate/registration/authorization without holding it, OR who assists or offers to assist another to commit such a violation. The fine may not exceed the greater of the gain/economic benefit derived or $5,000. The Commission considers severity, harm, gain, prior violation history, and other relevant facts. The person must be given notice and an opportunity to be heard, and is entitled to judicial review under chapter 233B. The section does not apply where a specific statute exempts the person and they act within that exemption.

- ✓ The Commission may fine anyone who knowingly acts without required authorization or assists another to do so
- ✓ The administrative fine cannot exceed the greater of the gain/economic benefit or $5,000
- ✓ The person must receive notice and an opportunity to be heard, with judicial review available under chapter 233B
- ✓ The fine does not apply to persons exempt by a specific statute who act within the exemption

3.13 Statutory Duties Replace Common Law Duties

NRS 645.251 states a licensee is not required to comply with any common-law principles that might otherwise apply to the duties set forth in NRS 645.252, 645.253, and 645.254 and their implementing regulations. The statutory duties govern the licensee's obligations.

- ✓ Licensees follow statutory duties (NRS 645.252-645.254) rather than common-law agency principles
- ✓ Common law is displaced only for the specific duties set forth in those statutes and regulations

3.14 Broker's Price Opinion (BPO) Requirements

NRS 645.2515 allows an active licensee in good standing to prepare and charge a fee for a broker's price opinion (a written analysis, opinion, or conclusion of estimated price) for sellers, buyers, third parties doing due diligence, or lienholders. However, a BPO prepared for a lienholder may NOT be used in lieu of an appraisal to determine whether to approve a mortgage loan. A BPO must include the intended purpose, property description, basis/market data, assumptions, date, disclosure of licensee interests, license number/name/signature, associated broker name (if applicable), and a 14-point bold disclaimer stating it is not an appraisal and that an appraisal requires a licensed/certified appraiser. The associated broker is responsible for the licensee's BPO activities.

- ✓ Only an active licensee in good standing may prepare a BPO and charge a fee
- ✓ A BPO cannot be used in lieu of an appraisal to approve a mortgage loan for a lienholder
- ✓ A BPO must include a 14-point bold disclaimer that it is not an appraisal
- ✓ The BPO must include the license number, name, and signature of each licensee preparing it, and the associated broker's name if the preparer is a salesperson/broker-salesperson

3.15 Affiliated Licensees Assigned to Separate Parties

NRS 645.253 provides that when a broker assigns different affiliated licensees to separate parties in a transaction, those licensees need not obtain the dual-representation written consent required by NRS 645.252(1)(d). Each licensee must not disclose confidential client information except to the broker (per NRS 645.254). The same rule applies to affiliated property managers assigned to separate parties in a property management agreement (NRS 645.6057).

- ✓ Affiliated licensees assigned to separate parties do not need the dual-representation written consent
- ✓ Each such licensee may disclose confidential client information only to the broker
- ✓ The same principle applies to affiliated property managers on separate parties to a property management agreement

3.16 Waiver of Licensee Duties Prohibited

NRS 645.255 prohibits waiver of any duty of a licensee under NRS 645.252 or 645.254, or of a property manager under NRS 645.6057, EXCEPT the duty to present all offers (NRS 645.254(4)), which may be waived on a Division form.

- ✓ No duty of a licensee under NRS 645.252/645.254 or a property manager under NRS 645.6057 may be waived
- ✓ The only exception is the duty to present all offers, which may be waived per NRS 645.254(4)

3.17 Action for Damages and Standard of Care

NRS 645.257 allows a person damaged as the proximate result of a licensee's or property manager's failure to perform duties under NRS 645.252, 645.253, 645.254, or 645.6057 to bring an action for actual damages. Client knowledge of material facts is not imputed to the licensee or property manager. The standard of care is that of a reasonably prudent licensee/property manager, measured by the knowledge required under the applicable licensing/education statutes (NRS 645.343/645.345 for licensees; NRS 645.6052 for property managers).

- ✓ A damaged person may sue a licensee/property manager for actual damages caused by breach of statutory duties
- ✓ A client's knowledge of material facts is not imputed to the licensee or property manager
- ✓ The standard of care is that of a reasonably prudent licensee/property manager based on required knowledge

3.18 Licensee Liability for Client Misrepresentation

NRS 645.259 provides a licensee may not be held liable for a client's misrepresentation unless the licensee knew of it AND failed to inform the recipient that the statement was false. A licensee is also not liable for the seller's failure to make NRS 113.130/113.135 disclosures if that information is a readily available public record — but the licensee is still not relieved of the duty to disclose material facts under NRS 645.252(1)(a).

- ✓ A licensee is liable for a client's misrepresentation only if the licensee knew of it and failed to correct it
- ✓ A licensee is not liable for a seller's failure to disclose public-record information under NRS 113.130/113.135
- ✓ The licensee remains bound by the duty to disclose material property facts under NRS 645.252(1)(a)

3.19 Owner-Developer Registration and Sales Manager

NRS 645.283 permits a registered owner-developer to employ licensed salespersons to sell single-family residences the owner-developer owns and has not previously sold within the registered area, but only if a qualified licensed broker-salesperson is associated as a sales manager overseeing the salespersons. The registration area may be enlarged by application and fee and is kept in force by annual renewal. NRS 645.287 provides owner-developers face no educational or examination requirement but must meet good-moral-character and financial-stability standards and maintain a principal place of business with salesperson records. NRS 645.289 requires the sales manager broker-salesperson to have at least 2 years of experience in the preceding 4 years and to notify the Division upon starting and ending the association.

- ✓ An owner-developer may employ licensed salespersons only if a qualified broker-salesperson serves as sales manager
- ✓ The sales manager must have at least 2 years of experience during the preceding 4 years
- ✓ Owner-developer registration requires no exam or education but requires good moral character and financial stability, and is renewed annually
- ✓ The sales manager must notify the Division when beginning and ending the association

3.20 Delivery of Copy of Brokerage Agreement

NRS 645.300 requires a licensee who prepares or has prepared a brokerage agreement employing the licensee to buy or sell real estate for compensation to deliver a copy to the client signing it at the time the signature is obtained, if possible, or otherwise within a reasonable time. Receipt may be made on the face of the agreement.

- ✓ A copy of the brokerage agreement must be given to the signing client at the time of signing, if possible, or within a reasonable time
- ✓ Receipt for the copy may be documented on the face of the brokerage agreement

3.21 Investigation and Audit of Broker Financial Accounts

NRS 645.313 authorizes the Division to investigate and audit all financial accounts related to a broker's business (whether or not a trust account) if it has reasonable cause to believe the broker uses the account for business AND either has cause/credible complaint of insolvency or risky financial practices, or determines the audit is reasonably necessary to enforce the chapter. The Commission may discipline (NRS 645.630) a broker/licensee who knowingly fails to cooperate or impedes an audit, or a broker who is insolvent or creates a substantial risk of insolvency. 'Insolvent' means inability to meet business liabilities as they come due, creating substantial risk of harm to the public or a consumer.

- ✓ The Division may audit any broker business account when it has reasonable cause of insolvency or enforcement need
- ✓ A licensee who knowingly impedes or fails to cooperate with an audit is subject to discipline under NRS 645.630
- ✓ Insolvency or financial practices creating a substantial risk of insolvency are grounds for discipline

3.22 Advertising Disclosure Requirements

NRS 645.315 requires that in any advertisement offering licensed services, the licensee include their license number and disclose their brokerage: a broker discloses any brokerage under which they do business, and a broker-salesperson/salesperson discloses the brokerage with whom they are associated. A broker-salesperson/salesperson may not advertise solely under their own name when acting in that capacity; all such advertising must be under the direct supervision of and in the name of the associated brokerage. The Commission sets by regulation the conditions for advertising under a nickname.

- ✓ Advertising for licensed services must include the licensee's license number and disclose the brokerage
- ✓ A broker-salesperson/salesperson may not advertise solely under their own name and must advertise in the brokerage's name under its supervision
- ✓ The Commission regulates conditions for advertising under a nickname

3.23 Prohibition on Deceitful or Fraudulent Dealing

NRS 645.3205 prohibits a licensee from dealing with any party to a real estate transaction in a manner that is deceitful, fraudulent, or dishonest.

- ✓ A licensee may not deal with any party in a deceitful, fraudulent, or dishonest manner
- ✓ This duty applies to all parties in the transaction, not just clients

3.24 Local Government Authority Not Affected

NRS 645.250 provides that Chapter 645 does not affect the power of cities and towns to tax, license, and regulate real estate brokers or salespersons. Chapter 645 requirements are in addition to any existing or future city/town ordinance.

- ✓ Cities and towns retain authority to tax, license, and regulate real estate brokers and salespersons
- ✓ Chapter 645 requirements are in addition to, not in place of, local ordinances

3.25 Broker Asset Management Services Disclosure

NRS 645.256 requires a broker who agrees to provide asset management services to a client to annually disclose such agreements to the Division and provide annual proof of compliance with NRS 645H.490. Failure to comply allows the Division to take administrative action, including license/permit suspension or an administrative fine.

- ✓ A broker providing asset management services must annually disclose such agreements to the Division
- ✓ The broker must annually prove compliance with NRS 645H.490
- ✓ Noncompliance permits Division action including suspension or administrative fine

3.26 Disclosures for Used Manufactured/Mobile Homes

NRS 645.258 requires a licensee in a transaction involving a used manufactured or mobile home not converted to real property (NRS 361.244) to provide the purchaser a Division form disclosing: year, serial number, and manufacturer; that it is personal property subject to personal property taxes; the requirements of NRS 489.521 and 489.531; and other Division-required disclosures. These disclosures are not warranties of title or condition. A broker representing a client in such a transaction must ensure the client complies with NRS 489.521 and 489.531.

- ✓ Licensees must provide a Division disclosure form for used manufactured/mobile homes not converted to real property
- ✓ The disclosure must state the home is personal property subject to personal property taxes
- ✓ These disclosures do not constitute a warranty of title or condition

3.27 Charging Broker for Audit Costs

NRS 645.314 allows the Administrator to charge a broker the actual costs and fees of a financial audit when the Division requests required documentation (per NRS 645.310), the broker fails to comply within a reasonable time, and the Division has reasonable cause to believe the documentation would help investigate a disciplinary offense. The broker is billed upon completion and must pay within 90 days; late payment incurs a 10% penalty plus 1% per month (waivable for good cause). Failure to pay is grounds for disciplinary action.

- ✓ The Administrator may charge a broker the actual audit costs when the broker fails to produce required documentation
- ✓ Audit costs must be paid within 90 days, with a 10% plus 1%-per-month penalty for late payment
- ✓ Failure to pay audit costs is grounds for disciplinary action

CHAPTER 4

Advance fees; licensing, education, examinations, fees, brokerage offices (645.310–645.575)

4.1 General Qualifications for a License

The Division may approve a license for a person who has a good reputation for honesty, trustworthiness and integrity (with satisfactory proof), has not made a false statement of material fact on the application, is competent to safeguard the public interest, has passed the examination, and has submitted all required information.

- ✓ Applicant must have good reputation for honesty, trustworthiness and integrity with satisfactory proof (NRS 645.330(1))
- ✓ Applicant must pass the examination and submit all required application information
- ✓ No false statement of material fact may be made on the application

4.2 Criminal Convictions and Denial of License

The Division may deny a license to any person convicted of, or who pled guilty/guilty but mentally ill/nolo contendere to, crimes such as forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, engaging in a real estate business without a license, possession of a controlled substance for sale, or any crime involving moral turpitude. The Division shall not issue a license to such a person until at least 3 years after the person pays any fine/restitution OR the expiration of parole/probation/sentence, whichever is later.

- ✓ Enumerated crimes (forgery, embezzlement, larceny, extortion, moral turpitude, etc.) may be grounds for denial (NRS 645.330(2))
- ✓ No license issued until at least 3 years after fine/restitution paid OR expiration of parole/probation/sentence, whichever is later
- ✓ Prior suspension/revocation in this or any other state is grounds to refuse a license

4.3 Broker Experience Requirement

Except as provided in NRS 645.332, a person may not be licensed as a real estate broker unless actively engaged full-time as a licensed broker-salesperson or salesperson in Nevada, or as a full-time licensed broker, broker-salesperson or salesperson in another state or D.C., for at least 2 of the 4 years immediately preceding issuance of the broker's license.

- ✓ Broker applicants need at least 2 of the prior 4 years of full-time licensed experience (NRS 645.330(4))
- ✓ Experience may be gained in Nevada or in another state/D.C.

4.4 Salesperson Educational Requirements

An original salesperson applicant must complete at least 120 hours of instruction in real estate principles, practices, procedures, law and ethics (may be extension/correspondence course from NSHE, accredited college/university, or Commission-approved school). The course must include disclosure of required information in transactions, at least 15 hours on preparation of contracts, and at least 15 hours on agency.

- ✓ Salesperson applicant needs at least 120 hours of qualifying pre-license instruction (NRS 645.343(1))
- ✓ Must include at least 15 hours on contract preparation and at least 15 hours on agency
- ✓ Must include instruction on disclosure of required information in transactions

4.5 Broker Educational Requirements

An original broker/broker-salesperson applicant must complete specified college-level coursework: 3 units real estate law (including at least 18 classroom hours of Nevada real estate law), 3 units principles of real estate, 9 units real estate appraisal and business/economics, 9 units real estate/business/economics, 3 units broker management, at least 1 unit contract preparation, and at least 1 unit on agency. Since Jan 1, 1986, applicants must also complete 64 semester units of college-level courses (inclusive of the above). Active out-of-state licensees may receive 16 units of credit per 2 years of active experience in the prior 10 years, up to 8 years, but not against the broker management or 18-hour Nevada law requirements.

- ✓ Broker applicant must complete 64 semester units of college-level courses (NRS 645.343(3))
- ✓ Requirements include 3 units broker management and 18 classroom hours of Nevada real estate law
- ✓ Experience credit (16 units per 2 years, max 8 years) cannot be applied to broker management or Nevada law requirements

4.6 License Form and Single-Broker Association

The Division issues each licensee a license showing name, address, and (for broker-salesperson/salesperson) the associated broker's name, bearing the Division seal. A broker-salesperson or salesperson may NOT be associated with or employed by more than one broker or owner-developer at the same time.

- ✓ A broker-salesperson or salesperson may not be associated with more than one broker or owner-developer at once (NRS 645.520(3))
- ✓ Broker-salesperson/salesperson licenses show the name of the associated broker

4.7 Continuing Education Requirements

The Commission prescribes continuing education standards requiring a minimum of 36 hours, permitting varied subject material and sources but qualifying only courses given by an accredited university or community college addressing appropriate subject matter. The Commission adopts mandatory subject matter for all licensees and may exempt licensees 65+ (licensed in good standing in Nevada 30+ years) from CE other than mandatory subjects. A post-license curriculum may be required within the first year, and licensees whose license was inactive 1+ years or suspended/revoked may be required to complete broker management coursework before reissuance/reinstatement. A license cannot be renewed or reinstated to active status unless the required CE is completed.

- ✓ Continuing education standards require a minimum of 36 hours (NRS 645.575(2))
- ✓ License cannot be renewed or reinstated to active status without completing required continuing education
- ✓ Licensees 65+ with 30+ years of good-standing Nevada licensure may seek exemption from CE other than mandatory subjects

4.8 Renewal Periods for Licenses

An original license must be renewed before the expiration of the initial 12-month license period; thereafter the license must be renewed before the expiration of each subsequent 24-month license period.

- ✓ Original licenses have an initial license period of 12 consecutive months and must be renewed before expiration (NRS 645.490)
- ✓ Subsequent renewal periods are 24 consecutive months

4.9 Accounting for Advance Fees

Any person or entity who charges or collects an advance fee must provide their client an accounting of how that money was used within 3 months after the charge or collection. The Real Estate Division may also demand such an accounting at any time.

- ✓ Client accounting of advance fee use must be furnished within 3 months of charge/collection (NRS 645.322)
- ✓ The Real Estate Division may demand an accounting of advance fees collected

4.10 License Required to Accept Advance Fee Listing

A person may not accept an advance fee listing unless licensed as a real estate broker, broker-salesperson, or salesperson under Chapter 645.

- ✓ Accepting an advance fee listing requires a real estate license (NRS 645.323)
- ✓ Applies to brokers, broker-salespersons, and salespersons

4.11 Brokerage Agreements and Advance Fees

The Commission may prescribe forms of brokerage agreements that include advance fee provisions and require reports/forms of accounting. Licensees must maintain each brokerage agreement they enter into for review and audit by the Division. Violation of Commission rules, regulations, orders, or requirements is grounds for disciplinary action.

- ✓ Licensee must maintain each brokerage agreement for Division review and audit (NRS 645.324)
- ✓ Violation of Commission rules/orders is grounds for disciplinary action against a licensee

4.12 Reciprocity and Out-of-State Applicants

A salesperson applicant is exempt from the uniform (national) portion of the exam if they hold a license in good standing in another state/territory/D.C. with substantially equivalent requirements and passed that state's exam. The Division may issue a broker or broker-salesperson license by reciprocity if a reciprocal agreement exists and the applicant's license is in good standing. The Division may refuse reciprocity for conduct that would be grounds for denial or discipline.

- ✓ Salesperson exempt from uniform national exam portion if holds equivalent out-of-state license in good standing and passed that state's exam (NRS 645.332(1))
- ✓ Broker/broker-salesperson reciprocity requires a reciprocal agreement and a license in good standing (NRS 645.332(2))
- ✓ Division may refuse reciprocal license for conduct that would be grounds for denial or discipline

4.13 Contents of License Application

Applications must be in writing on Division forms and set forth the applicant's name/age/address (plus members/officers/managers for entities), the broker's business name (fictitious name rules apply), business location, occupation for the prior 2 years, prior real estate experience, felony convictions/indictments, convictions for enumerated crimes/moral turpitude, prior license refusals/revocations/suspensions, and entity office information. A broker-salesperson/salesperson applicant must provide a verified statement from the associating broker expressing intent to associate and responsibility for the applicant's activities.

- ✓ Application must disclose felony convictions/indictments and convictions for enumerated crimes or moral turpitude (NRS 645.350(2))
- ✓ Broker-salesperson/salesperson applicant must provide verified statement from associating broker accepting responsibility (NRS 645.350(3))
- ✓ Application must disclose any prior license refusal, revocation, or suspension in any jurisdiction

4.14 Background Investigation and Fingerprints

Each applicant must pay a fee for a background investigation and, at their own expense, arrange for a complete set of fingerprints and either submit a fingerprint card with written permission for FBI/Central Repository submission, or provide written verification the prints were forwarded to the Central Repository. The Division may submit prints to the FBI and other agencies and request background information.

- ✓ Each applicant must pay for a background investigation and provide fingerprints at own expense (NRS 645.355)
- ✓ Fingerprints are submitted to the Central Repository/FBI with written permission from the applicant

4.15 Entity Broker Licensing (LLC, Partnership, Corporation)

An LLC, partnership, or corporation doing business as a broker must designate its manager/member/officer to apply for the broker's license. Upon that person passing the exam and meeting all requirements, the Division issues a broker's license to that designee on behalf of the entity—the designee may act as broker only as agent of the entity, not on their own behalf (except per NRS 645.385). Other members/officers who perform broker acts must obtain separate broker licenses in their own names.

- ✓ Entity broker must designate one manager/member/officer to hold the broker's license (NRS 645.370)
- ✓ Designated licensee acts as broker only as agent of the entity, not on own behalf, except per 645.385
- ✓ Other members/officers performing broker acts need their own separate broker licenses (NRS 645.380)

4.16 Examination Requirements and National Exam

The Division must determine by written exam that the applicant has appropriate knowledge of subjects customary to the real estate business, and may hire a professional testing organization. The Division may accept the uniform portion of a national real estate examination toward Nevada requirements. Examinations must be held at least bimonthly. Examination and license fees are set by Commission regulation, and the original license fee plus the Recovery Fund fee are paid at time of application.

- ✓ The Division ascertains knowledge by written examination and may accept the uniform national exam portion (NRS 645.460)
- ✓ Examinations are held at least bimonthly (NRS 645.450)
- ✓ Original license fee and Recovery Fund fee are paid when filing the license application (NRS 645.410)

4.17 Broker Exam Before Meeting Experience Requirement

A broker applicant may take the written exam before satisfying the 2-of-4-year experience requirement, but the Division will not approve a broker's license until all requirements are met. An applicant who passes the broker's exam under this provision is issued a broker-salesperson's license and may later obtain a broker's license upon proper application and satisfying the experience requirement.

- ✓ Broker exam may be taken before meeting the experience requirement, but license not issued until all requirements met (NRS 645.475)
- ✓ Passing the broker exam without the experience yields a broker-salesperson license until experience is satisfied

4.18 Action on Applications; Invalidation for Error

The Division must notify applicants in writing of exam results and act on license applications within 60 days of receiving a completed application, extendable if additional investigation is needed. The burden of proof is on the applicant to establish qualification. Passing the exam creates no vested right to a license pending appeal. The Division may invalidate a license issued in error related to qualification/fitness; the licensee must surrender it within 20 days and is entitled to a hearing as for a denial.

- ✓ Division must act on completed license applications within 60 days, extendable for further investigation (NRS 645.420)
- ✓ Burden of proof is on the applicant to establish qualification for a license
- ✓ Division may invalidate an erroneously issued license; licensee must surrender within 20 days and may request a hearing

4.19 Reapplication and Denial Hearing Rights

An applicant denied for a reason other than failing the exam may not reapply until the Division grants leave upon petition. If an application is denied, the Division gives notice within 15 days; the applicant may request a hearing within 30 days, held at the next Commission meeting if requested at least 20 days prior and the request contains allegations that would qualify the applicant. The Commission renders a written decision within 60 days of the final hearing. A false statement of material fact may in itself be sufficient ground for denial.

- ✓ Applicant denied (other than for exam failure) may not reapply until Division grants leave on petition (NRS 645.430)
- ✓ Division must give notice of denial within 15 days; applicant requests hearing within 30 days (NRS 645.440)
- ✓ A false statement of material fact on the application may alone justify denial

4.20 License Limited to Person and Place Named

A real estate license grants authority to perform licensed acts only to the person named on the license and only from the place of business specified in it.

- ✓ Only the named licensee may perform acts under the license (NRS 645.510)
- ✓ Licensed acts may only be performed from the place of business specified in the license

4.21 Custody, Display and Maintenance of Licenses

A broker-salesperson's or salesperson's license is delivered to the associated broker (or owner-developer) and kept in the broker's custody and control. Each broker must display their license conspicuously in the place of business (with an additional license displayed at each branch office) and maintain the licenses of all associated broker-salespersons/salespersons, kept securely and available for public/Division inspection during business hours.

- ✓ Associated licensees' licenses are kept in the custody and control of the broker/owner-developer (NRS 645.530)
- ✓ Broker must conspicuously display their own license and obtain/display an additional license for each branch office
- ✓ Associated licensees' licenses must be securely maintained and available for inspection during business hours

4.22 Broker Place of Business Requirement

Every broker must have and maintain a definite place of business in Nevada—a room or rooms for real estate (and allied) business—serving as the office where the license is prominently displayed. The place of business must be specified in the application and designated in the license, and no license authorizes business from any office other than that designated. Cities, towns, and counties may require a revenue license for a broker/owner-developer maintaining an office there.

- ✓ Broker must maintain a definite place of business in Nevada with the license prominently displayed (NRS 645.550)
- ✓ No license authorizes business from any office other than the one designated in the license
- ✓ Local governments may require a revenue license for a broker/owner-developer's office

4.23 Notice of Change of Name, Location, or Association

The broker or a corporate officer must give written notice to the Division within 10 days of any change of name or business location of any licensee, or of a change of association of any broker-salesperson/salesperson. On transfer of association, application and fee are made for reissuance of the license for the unexpired term; a transfer may only be into association with a licensed broker or registered owner-developer who certifies to the transferee's honesty, truthfulness and good reputation. Failure to give notice is cause for revocation or involuntary inactivation.

- ✓ Written notice of any change of name, location, or association must be given to the Division within 10 days (NRS 645.570)
- ✓ Transfer of association requires application and fee; new broker/owner-developer must certify the transferee's good reputation
- ✓ Failure to give the required notice is cause for revocation or involuntary inactivation of the license

4.24 Inactive License Status and Reinstatement

The Division may place a license on inactive status at the licensee's request; for a broker/corporate officer failing to notify the Division of a firm name/location change; for a broker-salesperson/salesperson failing to notify of a broker/owner-developer change within 30 days of termination; for failure to renew before expiration; upon inactivation of the supervising broker; or as a result of a formal disciplinary proceeding. A licensee on inactive status may not engage in real estate business until meeting all reinstatement requirements.

- ✓ A license may be placed on inactive status for enumerated reasons including failure to renew or notify of changes (NRS 645.577)
- ✓ A licensee on inactive status may not engage in real estate business until reinstated to active status

4.25 Termination of Association—Broker and Licensee Duties

When a broker-salesperson/salesperson terminates association/employment, the broker/owner-developer must deliver or certified-mail the license to the Division with a written statement of the termination circumstances within 10 days, and simultaneously notify the licensee at their last known address (with a copy accompanying the license). The licensee must, within 30 days, become associated with another broker/owner-developer or request inactive status. It is unlawful for the salesperson to perform any licensed acts after the license is received by the Division until it is transferred, reissued, or a new license is issued.

- ✓ On termination, broker/owner-developer must return the license to the Division with a statement within 10 days (NRS 645.580)
- ✓ Licensee must reassociate or request inactive status within 30 days of termination
- ✓ Salesperson may not perform licensed acts between return of license and its transfer/reissuance

4.26 Depository Financial Institutions Barred from Licensure

No depository financial institution (bank, savings and loan, savings bank, thrift company, credit union, or similar institution holding deposits/savings, issuing CDs, or providing withdrawable accounts) or its holding company, parent, subsidiary or affiliate may directly or indirectly be licensed to sell real estate in Nevada. The purpose is to keep depository institutions separate from the real estate business and prevent unfair competition.

- ✓ No depository financial institution or its holding company/parent/subsidiary/affiliate may be licensed to sell real estate (NRS 645.335)
- ✓ Prohibition applies both directly and indirectly

4.27 Child Support Compliance for Licensure

A natural person applying for issuance/renewal must submit the required child-support statement (and SSN for issuance). A license may not be issued or renewed if the applicant fails to submit the statement or indicates non-compliance with a child support court order or approved repayment plan. If non-compliant, the Division advises the applicant to contact the enforcing agency to resolve the arrearage.

- ✓ License may not be issued/renewed if applicant fails to submit child support statement (NRS 645.358)
- ✓ License may not be issued/renewed if applicant is not in compliance with a child support order or approved repayment plan

4.28 PLLC/Corporation for Broker-Salesperson or Salesperson

A qualified natural person who is the sole shareholder of a corporation or the manager of an LLC may be licensed on behalf of that entity to associate with a licensed broker as a broker-salesperson or salesperson. Only that sole shareholder/manager may act, and only as agent of the entity—not on their own behalf. A spouse with community interest in shares (who does not vote them) is not deemed a second shareholder. The entity must file an ownership affidavit within 30 days of issuance and within 30 days of any ownership change. The license automatically expires on the death of the licensed shareholder/manager or issuance of shares to more than one person other than the spouse.

- ✓ Sole shareholder of a corporation or manager of an LLC may be licensed on the entity's behalf (NRS 645.387)
- ✓ Entity must file ownership affidavit within 30 days of issuance and within 30 days of ownership changes
- ✓ License automatically expires on death of the shareholder/manager or issuance of shares to more than one person (other than spouse)

4.29 Nonresident Service of Process

No license may be issued to a non-Nevada resident until the applicant appoints, in writing, the Administrator as agent for service of process for any action against the applicant, agreeing that service on the Administrator has the same validity as personal service. The appointment stipulates venue in any Nevada district and remains in force while liability is outstanding. When served, the Administrator mails process by certified mail to the licensee's last known address.

- ✓ Nonresident applicants must appoint the Administrator as agent for service of process before licensure (NRS 645.495)
- ✓ Service on the Administrator has the same legal validity as personal service on the licensee

4.30 Broker Office Signage

Each licensed broker must erect and maintain a sign in a conspicuous place at the place of business clearly showing the broker's name or the business name from the license. The sign's size and placement must conform to Commission regulations, and similar signs must be maintained at all branch offices.

- ✓ Broker must display a conspicuous sign showing the broker/business name at the place of business (NRS 645.560)
- ✓ Similar signs must be maintained at all branch offices; size/placement per Commission regulations

4.31 Broker Termination from Entity; New License

A broker licensed as an LLC manager, partnership member, or corporate officer who discontinues that connection and wishes to act individually or associate with another entity must file an application and pay a $20 transfer fee for a new license (as individual broker, or as manager/member/officer of the new entity). Payment of the fee does not extend or alter the original license period.

- ✓ A broker leaving an entity must file an application and pay a $20 transfer fee for a new license (NRS 645.590)
- ✓ The transfer fee does not extend or alter the original license period

4.32 Inactive Status During Military Service

A licensee called into U.S. military service must, on request, be relieved from Chapter 645 compliance and placed on inactive status for the period of military service plus 6 months after discharge.

- ✓ A licensee in military service may request inactive status for the service period plus 6 months after discharge (NRS 645.600)

CHAPTER 5

Property managers (645.6052–645.6058)

5.1 Permit required to engage in property management

A person licensed under Chapter 645 as a real estate broker, broker-salesperson or salesperson may apply to the Real Estate Division for a permit to engage in property management. The applicant must furnish proof of completing at least 24 classroom hours of instruction in property management and comply with all other Commission requirements. The permit expires and renews at the same time as the holder's real estate license.

- ✓ A property management permit requires 24 classroom hours of instruction in property management
- ✓ Only persons already licensed as a broker, broker-salesperson or salesperson may apply for the permit
- ✓ The permit expires and is renewed simultaneously with the licensee's real estate license
- ✓ Renewal requires at least 3 hours of continuing education in property management (part of the required CE under NRS 645.575)

5.2 Designated property manager for an office

If a real estate broker does not hold a property management permit but intends to have property management activities at an office, the broker must appoint a qualified designated property manager to supervise those activities and submit notice of the appointment to the Division. The designated property manager must be a natural person meeting specific qualifications.

- ✓ A broker without a PM permit who conducts PM activities must appoint a designated property manager and notify the Division
- ✓ The designated PM must hold a real estate broker or broker-salesperson license AND a property management permit
- ✓ The designated PM must have 2 years active PM experience within the 4 years immediately preceding the appointment
- ✓ The designated PM must comply with NRS 645.6052 to 645.6058 and is subject to all remedies and penalties of the chapter

5.3 Property management agreement requirements

A broker holding a PM permit may not act as a property manager until obtaining a written property management agreement signed by the broker and the client. The agreement must contain specific mandatory provisions covering term, deposits, compensation, agency scope, cancellation and asset management.

- ✓ A signed written property management agreement is required before acting as a property manager
- ✓ The agreement must state the term and any renewal circumstances/terms
- ✓ It must include provisions for retention and disposition of tenant deposits
- ✓ It must state the fee/compensation to the broker and the extent of agency authority
- ✓ It must set forth cancellation circumstances (with or without cause) and any asset management services provided

5.4 Permit requirements for organizations

To engage in property management as an organization, a designated person must obtain the permit: a partnership designates a member, a corporation designates an officer/employee, an LLC designates its manager, and a sole-proprietor broker designates a person licensed under the broker. The entity may not conduct property management until that designee holds a permit. If the designee leaves, the entity must designate another qualified person.

- ✓ A partnership designates a member; a corporation an officer/employee; an LLC its manager; a sole proprietor a licensee under the broker
- ✓ The organization cannot engage in property management until the designated person holds a permit
- ✓ A permit holder may act as property manager only on behalf of the entity, not on his or her own behalf
- ✓ If the designee ceases association with the entity, a new qualified designee must be appointed
- ✓ Other members/officers/employees wishing to manage property must obtain their own individual permits and act only as agents of the entity

5.5 Duties of property manager under the agreement

A permit holder entering into and performing a property management agreement owes statutory duties, including disclosure, reasonable skill and care, providing the Division's disclosure form, seeking rentals at agreed terms, advising clients to seek experts, and accounting for money. Certain duties do not apply unless agreed in writing.

- ✓ Must disclose material facts, all compensation sources, principal interest, and any dual-agency relationship as soon as practicable
- ✓ Dual representation requires written consent including a conflict-of-interest statement and confidentiality provisions
- ✓ Must exercise reasonable skill and care and provide the Division's disclosure form (NRS 645.193) to parties
- ✓ Must seek rental/lease at the price and terms stated or acceptable to the client and account for all money as soon as practicable
- ✓ Unless agreed in writing, owes no duty to independently verify inspector statements, inspect a party's finances, or investigate the property's condition

CHAPTER 6

Disciplinary and other actions (645.630–645.760)

6.1 Duty to report criminal convictions and pleas

A licensee, property manager, or owner-developer must notify the Division in writing if convicted of, or entering a plea of guilty, guilty but mentally ill, or nolo contendere to a felony relating to the practice, or any crime involving fraud, deceit, misrepresentation, or moral turpitude. Notification must be timely.

- ✓ Must notify Division in writing of a felony relating to practice or any crime involving fraud, deceit, misrepresentation or moral turpitude (NRS 645.615)
- ✓ Notification due not more than 10 days after conviction or entry of plea, AND when submitting a renewal application
- ✓ Applies to guilty, guilty but mentally ill, and nolo contendere pleas

6.2 Authorized discipline and grounds under NRS 645.630

The Commission may impose an administrative fine of not more than $10,000 per violation and/or suspend, revoke, deny renewal of, or place conditions on a license, permit, or registration. Grounds include obtaining a license by false/fraudulent representation, material misrepresentation, false promises, commingling client funds, converting others' money, failure to account for or remit money, and trust account failures.

- ✓ Administrative fine of not more than $10,000 for each violation (NRS 645.630)
- ✓ Commission may fine, suspend, revoke, deny renewal, place conditions, or combine actions
- ✓ Commingling client money with own funds or converting others' money is a ground for discipline
- ✓ Broker must deposit earnest money check/cash before end of next banking day unless the purchase agreement provides otherwise
- ✓ Broker-salesperson/salesperson must promptly deliver deposits to their broker or owner-developer

6.3 Trust account maintenance and accounting duties

A licensee required to maintain a trust account must balance it at least monthly and submit an annual accounting to the Division as required by NRS 645.310. Failure to do either is a ground for discipline under NRS 645.630.

- ✓ Failing to balance the trust account at least monthly is a disciplinary ground (NRS 645.630(1)(g))
- ✓ Failing to submit the required annual trust account accounting to the Division is a disciplinary ground

6.4 Earnest money handling requirements

Accepting other than cash as earnest money is prohibited unless that fact is communicated to the owner before acceptance of the offer and shown in the earnest money receipt. Upon acceptance of an agreement, a broker must deposit any earnest money check or cash before the end of the next banking day unless the purchase agreement provides otherwise.

- ✓ Non-cash earnest money must be disclosed to owner before acceptance and shown on the receipt (NRS 645.630(1)(j))
- ✓ Broker must deposit earnest money by end of the next banking day unless purchase agreement says otherwise (NRS 645.630(1)(k))

6.5 Additional grounds: improper trade practices and law violations

NRS 645.633 lists additional disciplinary grounds, including violating any Commission order, Division agreement, or provisions of chapters 116, 119, 119A, 119B, 645A, or 645C; paying commissions to unlicensed persons; felony/fraud convictions; gross negligence or incompetence; deceitful, fraudulent, or dishonest dealing; and reciprocal discipline for out-of-state license suspension/revocation.

- ✓ Paying a commission or finder's fee to an unlicensed person is a disciplinary ground, except payments to a broker licensed in his state of residence (NRS 645.633)
- ✓ Gross negligence or incompetence in performing licensed acts is a disciplinary ground
- ✓ Any deceitful, fraudulent, or dishonest dealing is a disciplinary ground
- ✓ Commission may take reciprocal action for suspension/revocation of a license in another jurisdiction
- ✓ Failure to include a fixed expiration date in a brokerage agreement, or to leave a copy with the client, is a ground

6.6 Fair housing violation as disciplinary ground

Refusing to show, sell, or rent real estate to qualified purchasers or renters because of race, color, national origin, sex, sexual orientation, gender identity or expression, or ethnic group is a disciplinary ground under NRS 645.635(9).

- ✓ Discriminatory refusal to show, sell, or rent to qualified persons based on protected classes is a disciplinary ground (NRS 645.635(9))
- ✓ Protected classes include race, color, national origin, sex, sexual orientation, gender identity or expression, and ethnic group

6.7 Vicarious liability and broker supervision

A licensee's violation does not automatically justify disciplining an associate unless the associate knew or should have known. Persistent, consistent conduct is prima facie evidence of knowledge. An owner-developer who knew or should have known of a violation by an employed licensee may be disciplined and fined up to $5,000. A broker who fails to maintain adequate supervision of an associated licensee may be disciplined and fined up to $5,000.

- ✓ Associate is not disciplined for another licensee's violation unless the associate knew or should have known (NRS 645.660)
- ✓ Owner-developer who knew or should have known of an employee's violation may be fined up to $5,000
- ✓ Broker who fails to adequately supervise an associated licensee may be fined up to $5,000

6.8 Disciplinary hearing procedure and notice

Before the Commission revokes, suspends, or denies renewal, the Administrator initiates a complaint and schedules a hearing before the Commission. The hearing must be held within 90 days of the complaint filing. The licensee must receive at least 30 days' written notice with a copy of the complaint and supporting documents. Notice is complete on personal delivery or certified mail to the last known address; the associated broker or owner-developer must also be notified.

- ✓ Commission must hold the hearing within 90 days after the Administrator files the complaint (NRS 645.680)
- ✓ Licensee must be given at least 30 days' written notice with a copy of the complaint and supporting documents
- ✓ Notice is complete upon personal delivery or certified mail to the last known address

6.9 Investigation authority of Administrator

The Administrator may investigate the actions of any real estate broker, broker-salesperson, salesperson, owner-developer, or any person acting in any such capacity within Nevada. This broad investigatory power is the starting point for disciplinary proceedings.

- ✓ The Administrator may investigate the actions of any licensee, owner-developer, or person acting in such capacity within the State (NRS 645.610)
- ✓ Investigation authority extends to any person acting in a licensed capacity, whether or not licensed

6.10 Confidentiality of complaint and investigation records

Complaints filed with the Division and documents compiled during an investigation to determine whether to initiate disciplinary action are confidential. They may be disclosed only as necessary to administer the chapter or to a licensing board or governmental/law enforcement agency investigating a licensee. Once disciplinary action is initiated before the Commission, those records become public.

- ✓ Complaints and investigation documents are confidential and disclosed only as necessary or to governmental/law enforcement agencies (NRS 645.625)
- ✓ A complaint filed with the Commission to initiate disciplinary action and documents the Commission considers are public records
- ✓ Orders imposing discipline plus findings of fact and conclusions of law are public records (NRS 645.630)

6.11 Property management-specific disciplinary grounds

For property manager permit holders, the Commission may act if, in connection with managed property, the person is convicted of violating NRS 202.470 (nuisance), fails to inform the owner of a written notice of potential violation of NRS 244.360, 244.3603, or 268.4124, or fails to correct such a potential violation when directed in writing by the owner and correction is within the scope of the management agreement. The Division maintains a log of such complaints.

- ✓ Property manager may be disciplined for failing to inform the owner of a written governmental notice of a potential nuisance/violation (NRS 645.633(3))
- ✓ Property manager may be disciplined for failing to correct a potential violation when directed in writing by the owner, if within scope of the management agreement
- ✓ The Division must maintain a log of complaints relating to property management activities

6.12 Unprofessional conduct in real estate transactions

NRS 645.635 lists disciplinary grounds tied to transaction handling: offering property without owner consent, negotiating around an exclusive brokerage agreement without written permission, failing to timely deliver copies of agreements, failing to provide closing statements, misrepresenting sale price to lenders, failing to produce records under investigation, failing to reduce/submit bona fide written offers, and knowingly submitting false appraisals.

- ✓ Must deliver a detailed closing statement to the seller within 10 business days after closing (NRS 645.635(4))
- ✓ Must submit all written bona fide offers to the seller until an offer is accepted and the broker knows of the acceptance
- ✓ Cannot negotiate directly with a client who has an exclusive agency/right-to-sell with another broker without that broker's written permission
- ✓ Must produce documents, books, or records under investigation by the Division

6.13 Discipline for failure to pay money owed

In addition to other remedies, the Commission or Division may refuse to issue, refuse to renew, suspend, or revoke a license, permit, certificate, or registration of a person who has failed to pay money owed to the Commission or the Division.

- ✓ May refuse to issue a license/permit to a person who owes money to the Commission or Division (NRS 645.647)
- ✓ May refuse to renew, or suspend or revoke, for failure to pay money owed to the Commission or Division

6.14 Discipline survives expiration or surrender of license

Expiration, revocation, or voluntary surrender of a license, permit, or registration does not prohibit the Administrator, Commission, or Division from initiating or continuing investigation or disciplinary proceedings, nor does it prevent the imposition or collection of fines or penalties.

- ✓ Voluntary surrender or expiration of a license does not stop investigation or disciplinary action (NRS 645.675)
- ✓ Fines and penalties may still be imposed and collected despite license expiration, revocation, or surrender

6.15 Answer to charges and statute of limitations

The licensee must file an answer with the Commission within 30 days after service of notice; failure to answer allows the Division to move for default. A proceeding must be commenced within 5 years after the act charged, except that misrepresentation/failure-to-disclose periods run from discovery, and the 5-year period is suspended during pending related litigation.

- ✓ Answer must be filed within 30 days after service of notice or the Division may move for default (NRS 645.685)
- ✓ A disciplinary proceeding must be commenced within 5 years after the act charged
- ✓ For misrepresentation or failure to disclose, the period runs from discovery; it is suspended during related pending actions

6.16 Commission decision, notice, and stays on appeal

The Commission renders an informal decision within 15 days after the final hearing and gives written notice within 60 days by certified mail. If adverse, the notice states an effective date not less than 30 days after the notice. The decision is not stayed by appeal unless the district court so orders; an appeal from a district court decision affirming revocation/suspension does not stay the order unless the court grants a stay with a $1,000 cost bond.

- ✓ Commission must render an informal decision within 15 days and give written notice within 60 days after the final hearing (NRS 645.740)
- ✓ An adverse ruling's effective date must be at least 30 days after the notice date
- ✓ Appeal does not stay the Commission's decision unless the court orders it; a $1,000 cost bond is required for a stay on appeal

6.17 License suspension for failure to pay child support

If the Division receives a court order under NRS 425.540 for suspension of licenses of a person for child support arrearages or noncompliance with paternity/support processes, the license is deemed suspended at the end of the 30th day after the order unless the Division receives a compliance letter. The license is reinstated upon receipt of a letter showing compliance or satisfaction of arrearage.

- ✓ License deemed suspended at end of 30th day after the court order unless a compliance letter is received (NRS 645.648)
- ✓ Division must reinstate upon receiving a letter that the person complied with the subpoena/warrant or satisfied the arrearage

6.18 Effect of revocation on business entities

If the license of a manager (LLC), member (partnership), or officer (corporation) is revoked or suspended, the entity may not conduct business unless the offending person's interest and participation are ended. That person may rejoin the entity upon termination of the suspension or reinstatement of the license.

- ✓ Entity may not conduct business unless the disciplined manager/member/officer is severed and their participation ended (NRS 645.670)
- ✓ The person may reassume their connection to the entity upon termination of suspension or reinstatement of the license

6.19 Commission hearing powers and subpoenas

The hearing is held at the Commission's chosen time and place, but at the licensee's written request must be held in the northern or southern district where their principal place of business is located. A stenographic transcript is made if requested for judicial review. The Commission may administer oaths, certify acts, issue subpoenas statewide, take depositions, and enforce subpoenas through the district court.

- ✓ Hearing must be held in the district (northern or southern) of the licensee's principal place of business upon written request (NRS 645.690)
- ✓ Commission may administer oaths, certify acts, and issue subpoenas for witnesses and documents statewide (NRS 645.700)
- ✓ District courts may compel witness attendance and enforce Commission subpoenas by contempt (NRS 645.720)

CHAPTER 7

Expiration and renewal of licenses; fees; Education, Research and Recovery Fund

7.1 Restrictions on New License After Revocation

After the Commission revokes a license, permit, or registration, no new one may be issued to the same person within 1 year after the revocation date. Even after 1 year, reissuance is only at the sole discretion of the Real Estate Division, and only if the person meets all requirements for an original license, permit, or registration.

- ✓ No new license/permit/registration may issue within 1 year of revocation
- ✓ After 1 year, reissuance is at the sole discretion of the Real Estate Division
- ✓ Applicant must satisfy all requirements for an original license

7.2 License Expiration and License Periods

Each license expires at midnight on the last day of the last month of its license period. The initial license period for an original broker, broker-salesperson, or salesperson license is 12 consecutive months beginning the first day of the first calendar month after issuance. Each subsequent renewal period is 24 consecutive months. All other licenses have a 24-month period unless a specific statute provides otherwise.

- ✓ Licenses expire at midnight on the last day of the last month of the license period
- ✓ Initial license period for broker/broker-salesperson/salesperson is 12 months
- ✓ Subsequent renewal periods are 24 months
- ✓ All other licenses have a 24-month period unless a statute provides differently

7.3 Effect of Failure to Renew License or Permit

If a licensee fails to apply for renewal before expiration, no license may be issued except upon a new original application. However, within 1 year of expiration a late renewal may be issued upon payment of a $100 late fee (for licenses) in addition to the normal renewal fee. For permits, the late renewal fee within 1 year is $20, plus compliance with continuing education requirements under NRS 645.6052 or 645.863.

- ✓ Failure to renew before expiration normally requires a new original application
- ✓ Within 1 year of expiration, a license may be late-renewed with a $100 penalty fee plus the renewal fee
- ✓ Within 1 year of expiration, a permit may be late-renewed with a $20 penalty fee plus the renewal fee and CE compliance

7.4 Recovery from the Fund: Procedure and Limits

A person who obtains a final judgment against a licensee based on fraud, misrepresentation, or deceit in a transaction requiring a license may petition the court for payment from the Fund for unpaid actual damages, but not more than $25,000 per judgment. Total Fund liability for any one licensee cannot exceed $100,000. A licensee cannot recover for damages related to a transaction in which they acted as a licensee. The petition must be filed within 1 year after termination of all proceedings.

- ✓ Recovery is limited to $25,000 per judgment for unpaid actual damages
- ✓ Total Fund liability per licensee cannot exceed $100,000
- ✓ Recovery requires a final judgment based on fraud, misrepresentation, or deceit
- ✓ The petition must be filed within 1 year after all proceedings end
- ✓ The petitioner cannot be the spouse of the debtor and must show reasonable efforts to collect from the debtor

7.5 License Suspension After Fund Payment

When the Administrator pays from the Fund on a licensee's account, that licensee's license is automatically suspended upon the effective date of the court's payment order. The license cannot be reinstated and no new license granted until the licensee repays the full amount plus interest (prime rate at the largest Nevada bank plus 2 percent), computed from the date the Fund payment was made.

- ✓ A licensee's license is automatically suspended when the Fund pays on their account
- ✓ No reinstatement or new license until full repayment plus interest is made
- ✓ Interest equals the prime rate at the largest Nevada bank plus 2 percent

7.6 Judicial Review of Disciplinary Decisions

A ruling or decision of the Real Estate Commission in a disciplinary action is final when it favors the licensee. However, if the decision is against the licensee, the licensee has the right to seek judicial review under chapter 233B of NRS (the Nevada Administrative Procedure Act).

- ✓ A Commission decision is final and not appealable when it is in favor of the licensee
- ✓ A licensee found against may obtain judicial review under NRS chapter 233B

7.7 Schedule of Division Fees

NRS 645.830 sets specific fees payable to the Division. Original licenses: broker/broker-salesperson/corporate broker $105, salesperson $85, branch office $120. Renewals: broker/broker-salesperson/corporate broker $180, salesperson $140, branch office $110. Late filing penalties: broker $95, salesperson $75. Education/research/recovery fee of $40 is paid at both original application and renewal. Other fees include $20 for change of name/address, transfers, and duplicate licenses.

- ✓ Original broker license fee is $105; original salesperson license fee is $85
- ✓ Renewal broker license fee is $180; renewal salesperson license fee is $140
- ✓ Late renewal penalty is $95 for brokers and $75 for salespersons
- ✓ A $40 real estate education, research and recovery fee is paid at original application and at each renewal

7.8 Real Estate Education, Research and Recovery Fund

The Fund is a special revenue fund used to satisfy claims against licensees. A minimum balance of $300,000 must be maintained. Balances over $300,000 at fiscal year-end may be used for real estate education and research (with Commission approval) or other legislatively authorized purposes. Every broker, broker-salesperson, and salesperson pays the education/research/recovery fee at original application and renewal. Owner-developers need not contribute to the Fund.

- ✓ A minimum balance of $300,000 must be maintained in the Fund
- ✓ The Fund satisfies claims against licensees for fraud, misrepresentation, or deceit
- ✓ Every broker, broker-salesperson, and salesperson must pay into the Fund at application and renewal
- ✓ Owner-developers are not required to contribute to the Fund

7.9 Fund Petition Hearing Requirements

At the hearing, the petitioner must prove they are not the debtor's spouse, complied with all Fund requirements, obtained a qualifying judgment, that a writ of execution was returned unsatisfied, that reasonable searches for the debtor's assets were made, that reasonable efforts to recover from each debtor were made, and that the petition was filed within 1 year. The Administrator may answer, defend, and use appropriate review methods on behalf of the Fund, and may compromise a claim subject to court approval.

- ✓ The petitioner must show a writ of execution returned unsatisfied and no leviable assets found
- ✓ The petitioner must have made reasonable searches and efforts to recover from each judgment debtor
- ✓ The Administrator may defend the Fund and may compromise claims subject to court approval
- ✓ A default, consent, or stipulated judgment is not prima facie evidence for Fund purposes

7.10 Electronic Renewal Website and Fees

The Division may create and maintain a secure website for renewing any license, permit, certificate, or registration. For renewals done through this website, the Division may charge an additional fee not exceeding its actual cost for providing the service.

- ✓ The Division may offer online renewal via a secure website
- ✓ Any additional electronic renewal fee must not exceed the Division's actual cost

7.11 Technology Fee and Fee Exemptions

In addition to other fees, each applicant for issuance or renewal of a broker, broker-salesperson, or salesperson license must pay a $15 technology fee. Fees for courses of instruction and continuing education do not apply to Nevada System of Higher Education institutions, state agencies, or federal regulatory agencies. The Commission must adopt regulations establishing fees for background investigations.

- ✓ A $15 technology fee applies to each license issuance and renewal
- ✓ Course/CE fees do not apply to NSHE institutions, state agencies, or federal regulatory agencies
- ✓ The Commission adopts regulations setting background investigation fees

7.12 Distribution When Claims Exceed Fund Maximum

When claims filed against the Fund total more than the maximum liability for one licensee's acts, the maximum per-licensee liability is distributed among claimants proportionally to their respective claims relative to total claims, or in another manner the court finds equitable.

- ✓ Claims exceeding the per-licensee maximum are distributed pro rata among claimants
- ✓ The court may distribute in another equitable manner

CHAPTER 8

Business brokers; brokerage agreements involving commercial real estate; prohibited acts and penalties (645.8xx–645.990)

8.1 Unlawful Acts and Penalties (NRS 645.990)

Fraudulent licensing or sale of real property is a category D felony, while other chapter violations carry escalating fines and misdemeanor penalties. Courts may revoke or suspend licenses upon conviction.

- ✓ Obtaining a license or selling real property by intentional misrepresentation, deceit, or fraud is a category D felony with mandatory restitution
- ✓ A licensee/permittee/owner-developer committing acts under NRS 645.630/645.633/645.635 may be fined up to $5,000 per offense
- ✓ Other chapter violations are a gross misdemeanor for natural persons, or up to $2,500 fine for an entity
- ✓ Officers/agents who personally participate in an entity's violation are subject to natural-person penalties
- ✓ A court may revoke or suspend the license of a person convicted, in addition to other penalties

8.2 Recovery Fund Claim Distribution and Priority

When the Recovery Fund is insufficient to satisfy authorized claims, distribution rules and interest apply. Claims are distributed without regard to filing order, but unpaid claims are later satisfied in the order originally filed with 6% annual interest once sufficient money is deposited.

- ✓ Distribution must be made without regard to the order of priority in which claims were filed or judgments entered
- ✓ The court may, on petition of the Administrator, join all claimants in one action to equitably determine rights
- ✓ If the Fund is insufficient, unpaid claims are later satisfied in the order originally filed plus 6% per annum interest

8.3 Administrator Subrogation to Judgment Creditor Rights

When the Administrator pays money from the Recovery Fund to a judgment creditor, the Administrator becomes subrogated to the creditor's rights and any recovery is deposited back into the Fund.

- ✓ The Administrator is subrogated to all rights of the judgment creditor to the extent of the amount paid
- ✓ Any amount and interest recovered on the judgment must be deposited in the State Treasury for credit to the Fund

8.4 Business Broker Permit: Eligibility and Requirements

A licensed real estate broker, broker-salesperson, or salesperson may apply to the Real Estate Division for a permit to engage in business as a business broker, subject to education and other requirements. The permit expires with the underlying license and requires continuing education for renewal.

- ✓ Applicant must be a licensed real estate broker, broker-salesperson, or salesperson
- ✓ Applicant must complete at least 24 hours of instruction relating to business brokerage
- ✓ A permit expires on the same date as the holder's license and is renewed with the license
- ✓ Renewal requires at least 3 hours of continuing education relating to business brokerage

8.5 Business Broker Permit for Organizations

Partnerships, corporations, limited-liability companies, and sole proprietors must designate a qualified person to hold the business broker permit; the entity cannot engage in business brokerage unless the designee holds the permit.

- ✓ A partnership designates a member; a corporation designates an officer/employee; an LLC designates its manager; a sole proprietor designates himself/herself or a licensee
- ✓ The entity may not engage in business as a business broker unless the designated person holds a permit
- ✓ A permit holder acts only on behalf of the designating entity, not on his or her own behalf
- ✓ If the designee leaves, the entity must designate another qualified person to hold the permit

8.6 Designated Business Broker Requirements

A real estate broker who does not hold a business broker permit but has business brokerage activities conducted at an office must appoint a qualified designated business broker to supervise those activities and notify the Division.

- ✓ The broker must appoint a qualified designated business broker and submit notice of the appointment to the Division
- ✓ The designated business broker must hold a real estate broker or broker-salesperson license AND a business broker permit
- ✓ Must have 2 years active business brokerage experience within the 4 years immediately preceding appointment
- ✓ The designated business broker must comply with all chapter provisions and is subject to its remedies and penalties

8.7 Commercial Real Estate Brokerage Agreement Definitions

Key defined terms govern commercial brokerage agreements (NRS 645.8701–645.8811). A brokerage agreement is a written contract to pay commission for services relating to disposition of commercial real estate. Commercial real estate excludes small residential properties.

- ✓ 'Brokerage agreement' means a written contract where an owner agrees to pay commission for services relating to disposition of commercial real estate
- ✓ 'Commercial real estate' excludes improved property of 4 or fewer residential units, unimproved land zoned for 4 or fewer units, and single-family residential units sold unit by unit
- ✓ 'Disposition' means a voluntary conveyance or transfer of title or interest in commercial real estate
- ✓ 'Owner's net proceeds' means gross receipts on disposition, minus priority encumbrances/liens and costs of closing escrow

8.8 Broker's Claim Upon Owner's Net Proceeds

A real estate broker has a claim on the owner's net proceeds from disposition of commercial real estate for commission earned under a brokerage agreement. The claim belongs to the named broker and attaches to personal property, not real property title.

- ✓ A commission is deemed earned when the broker has performed his or her duties under the brokerage agreement
- ✓ The claim belongs to the named broker, not to an employee or independent contractor
- ✓ A recorded claim is a claim upon personal property and does not attach to real property title
- ✓ The claim may be waived only by the broker in a written uppercase waiver limited to one transaction, signed on or before the agreement is executed
- ✓ The recording or enforcement of a claim does not relieve the owner's obligation to close escrow

8.9 Notice Requirements to Enforce Broker's Claim

To enforce a commission claim, the broker must provide written notice to the owner and escrow agent within 7 days after the commission is earned, containing specified information, verified by oath.

- ✓ Broker must provide written notice of the claim within 7 days after the commission is earned to both the owner and the escrow agent
- ✓ Failure to provide timely notice bars enforcement of the claim
- ✓ Notice to the escrow agent is not required if the escrow agent's identity is unknown at the time notice is given to the owner
- ✓ Notice must include owner name, license number, amount claimed, property description, and a copy of the brokerage agreement, verified by oath with acknowledgment

8.10 Owner's Duty to Confirm or Deny Claim

An owner served with a claim notice must confirm or deny it in writing within 5 days of service but not later than 7 days before disposition. If the owner denies or fails to respond, the broker may record the claim with the county recorder.

- ✓ Owner must confirm or deny the claim in writing within 5 days after service, but no later than 7 days before disposition
- ✓ If confirmed, the owner may instruct the escrow agent to pay the amount claimed
- ✓ If the owner denies or fails to respond, the broker may record the notice of claim in the county recorder's office

8.11 Escrow Agent Duties Upon Notice of Claim

Upon receiving or having notice of a recorded claim, the escrow agent must reserve owner's net proceeds equal to the claimed amount and follow strict release and notification rules until rights are determined.

- ✓ The escrow agent must reserve owner's net proceeds equal to the claimed amount, or the entire net proceeds if insufficient
- ✓ If proceeds are insufficient, the escrow agent must notify the broker in writing within 3 days but not later than close of escrow
- ✓ The escrow agent must not release reserved proceeds until the rights of the owner and broker are determined under NRS 645.8791
- ✓ Reservation does not relieve the owner of the obligation to close escrow

8.12 Filing False Documents Prohibited (NRS 645.993)

It is unlawful to file any false document or document containing a willful, material misstatement of fact with the Administrator, Division, or Commission.

- ✓ It is unlawful to file any required document with the Administrator, Division, or Commission that is false or contains a willful, material misstatement of fact
- ✓ A violation is a gross misdemeanor

8.13 Waiver of Recovery Fund Rights

A claimant who fails to comply with the Recovery Fund provisions (NRS 645.841 to 645.8494) waives all rights under those provisions.

- ✓ Failure to comply with any provision of NRS 645.841 to 645.8494 constitutes a waiver of rights
- ✓ Repayment of Fund obligations does not nullify separate disciplinary proceedings

8.14 Recovery Fund Repayment Does Not Bar Discipline

Nothing in the Recovery Fund provisions limits the Commission's authority to discipline a licensee, and full repayment to the Fund does not nullify other disciplinary proceedings.

- ✓ Recovery Fund provisions do not limit the Commission's disciplinary authority for chapter violations
- ✓ Repayment in full to the Fund does not nullify or modify any other disciplinary proceeding

8.15 Deposit of Proceeds and Escrow Agent Immunity

After escrow closes on a claimed transaction, the escrow agent may deposit the reserved net proceeds with the district court, discharging further liability. Escrow agents are immune from civil liability for compliance and may charge fees.

- ✓ The escrow agent may deposit reserved net proceeds with the district court where the claim is recorded, and is then discharged from further liability
- ✓ An escrow agent is not liable in any civil action for actions taken to comply with these provisions
- ✓ An escrow agent may charge and collect a fee for services provided under these provisions

8.16 Civil Action and Show Cause on Broker's Claim

An owner may file a civil action and apply for an order requiring the broker to show cause why the claim should not be dismissed. Failure of the broker to appear results in dismissal with prejudice and cancellation of the claim.

- ✓ If the broker fails to appear at the show cause hearing, the court dismisses the claim with prejudice and cancels the recorded notice
- ✓ The court makes a preliminary determination of which party has a reasonable probability of entitlement to the proceeds
- ✓ Frivolous claims may be handled under NRS 108.2275 and the court may award compensatory damages to the owner
- ✓ The prevailing party is entitled to costs and a reasonable attorney's fee

8.17 Priority and Release of Recorded Claim

A recorded broker's claim has priority over later-recorded encumbrances but not over mechanics' liens. The broker must release the claim within 3 days after it is paid or satisfied.

- ✓ A recorded claim has priority over any encumbrance, claim, or lien recorded after it
- ✓ Priority does not apply against mechanics' liens recorded under NRS 108.221 to 108.246
- ✓ The broker must record a written release within 3 days after the claim is paid or satisfied

CHAPTER 9

NAC 645 General provisions and administration (645.005–645.095)

9.1 Postlicensing Education Requirement

'Postlicensing education' means the postlicensing curriculum of continuing education that, pursuant to NRS 645.575, a person is required to complete within the first year after his or her initial licensing. An 'approved course' includes courses approved for continuing education (NAC 645.455) or postlicensing education (NAC 645.4444).

- ✓ Postlicensing education must be completed within the first year after initial licensing
- ✓ Required under NRS 645.575
- ✓ Approved courses may be for continuing education or postlicensing education

9.2 Types of Listing and Brokerage Agreements

NAC 645 defines exclusive agency listing agreements, exclusive right to sell or lease listing agreements, and exclusive buyer's brokerage agreements. All must meet the requirements of NRS 645.320. Key distinction: under an exclusive agency listing, the seller/lessor may sell on their own without owing commission; under an exclusive right to sell/lease, the broker earns compensation regardless of who (broker, seller, or anyone) produces the buyer, except specifically exempted persons.

- ✓ All exclusive agreements must meet the requirements of NRS 645.320
- ✓ Exclusive agency listing: no commission owed if seller/lessor sells solely through own efforts
- ✓ Exclusive right to sell/lease: broker compensated even if the seller finds the buyer, unless the buyer is specifically exempted
- ✓ Exclusive buyer's brokerage agreement grants the broker exclusive right to represent a purchaser/tenant

9.3 Grounds for Denial of Application, License, or Permit

Under NAC 645.095, the Division may deny an application for owner-developer registration, a license, or a permit for any reason sufficient under NRS 645.330, or where: the application is not in proper form, lacks required fees, has incomplete/unsatisfactory forms, contains a false statement, has other deficiencies, the investigation fails to affirmatively show necessary qualifications (including good moral character and financial responsibility), the applicant willfully violated (or aided/abetted violation of) chapters 113, 116, 119, 119A, 645, 645A, 645C or 645D of NRS, the fee check is not honored, or (for owner-developer) the applicant fails to verify licensed contractor status.

- ✓ The Division may deny for false statements, improper form, missing fees, or deficiencies
- ✓ Investigation must affirmatively show good moral character and financial responsibility
- ✓ Willful violation of specified NRS chapters (113, 116, 119, 119A, 645, 645A, 645C, 645D) is grounds for denial
- ✓ A dishonored fee check is grounds for denial
- ✓ Owner-developer applicants must verify they are a licensed contractor in Nevada

9.4 Active Experience Requirement for Licensing

For purposes of NRS 645.343 (broker qualification), 'active experience' means experience gained while engaged in real estate activities described in NRS 645.030, 645.035 and 645.040. To count, the applicant must have worked at least 30 hours a week during at least 48 weeks of any 12-month period.

- ✓ Active experience requires at least 30 hours per week
- ✓ The 30-hour minimum must be met during at least 48 weeks of any 12-month period
- ✓ Applies to activities described in NRS 645.030, 645.035, and 645.040

9.5 Active Status vs. Inactive Renewed Status

'Active status' means a person holds a current license, is in good standing with the Division, and may engage in the real estate business. 'Inactive renewed status' means the licensee holds a current unsuspended/unrevoked license but has cancelled it and may not transact any real estate business until reinstated to active status; the Division keeps the license while inactive.

- ✓ Active status = current license, good standing, may practice real estate
- ✓ Inactive renewed status = license held by Division; licensee may NOT transact real estate business
- ✓ A licensee must reinstate to active status before conducting business
- ✓ 'Reinstatement' means the return to active status

9.6 Involuntary Inactivation by the Division

'Involuntarily inactivate' means to transfer a license from active status to inactive renewed status at the initiative of the Division (not at the licensee's request). This can occur, for example, when a check or draft submitted to the Division is returned for insufficient funds or stop payment.

- ✓ Involuntary inactivation is initiated by the Division, not the licensee
- ✓ A returned check/draft for authorization can result in involuntary inactivation of that authorization

9.7 Definition of Licensee

'Licensee' means any person who holds a license as a real estate broker, broker-salesperson, or salesperson pursuant to chapter 645 of NRS. These are the three license categories recognized under NAC 645.

- ✓ Licensee includes broker, broker-salesperson, and salesperson
- ✓ All three categories are licensed pursuant to NRS chapter 645

9.8 Principal Place of Business and Branch Office

'Principal place of business' means the principal office of a licensed real estate broker used to conduct a general real estate business. 'Branch office' means an office operated by a licensed real estate broker or corporation, separate from the principal location, for conducting a general real estate business — it does not include a nearby development sales office used only for sales activities of that development.

- ✓ Principal place of business is the broker's principal office for general real estate business
- ✓ A branch office is separate from the principal location and used for general real estate business
- ✓ A development sales office used only for that development's sales is NOT a branch office

9.9 Employment Relationship Between Salesperson and Broker

'Employment' means the relationship between a salesperson and the broker with whom the salesperson is associated. It includes both employee-employer relationships and independent contractor relationships. This confirms that a salesperson always works under an associated broker.

- ✓ Employment covers both employee-employer and independent contractor relationships
- ✓ A salesperson is associated with a broker

9.10 Proof of Moral Character and Appeal of Denial

Under NAC 645.095, the Administrator may require proof of moral character, considering the Division's investigation results, any history of arrest and conviction, the nature/history of the applicant's business, and any past failure to comply with chapters 113, 116, 119, 119A, 645, 645A, 645C or 645D of NRS. An applicant denied by the Division may appeal to the Commission per NRS 645.440; if the Commission reverses and finds the applicant qualifies, the application may be accepted as of the original submission or fee-payment date (whichever is later) with no additional fee.

- ✓ Administrator may consider arrest/conviction history, business history, and past NRS compliance in judging moral character
- ✓ A denied applicant may appeal to the Commission under NRS 645.440
- ✓ If the Commission reverses, the application dates back to original submission/fee payment with no additional fee

9.11 Distance Education Defined

'Distance education' means instruction delivered by video, computer, television, correspondence, the Internet, or other electronic means (or a combination), such that the instructor/supervisor and the student are separated by distance, time, or both. This is relevant to how required education courses may be delivered.

- ✓ Distance education is delivered by electronic means (video, computer, TV, Internet, correspondence)
- ✓ Instructor and student are separated by distance, time, or both

9.12 Signature and Electronic Signatures

'Sign' means to affix a signature to a record. 'Signature' means a name, word, symbol or mark executed or adopted (or a record encrypted/processed) by a person with present intent to identify himself/herself and adopt or accept a record, and expressly includes an electronic signature as defined in NRS 719.100.

- ✓ A signature may be a name, word, symbol, or mark adopted with intent to accept a record
- ✓ Electronic signatures (per NRS 719.100) are included in the definition of signature

9.13 Single-Family Residence Definition

For purposes of NRS 645.018, 'single-family residence' includes, without limitation, an attached residential dwelling, a condominium, a cooperative apartment, a manufactured home, and a townhouse unit. This broadens what counts as a single-family residence for disclosure and other requirements.

- ✓ Single-family residence includes condominiums, cooperative apartments, manufactured homes, and townhouse units
- ✓ Includes attached residential dwellings, not just detached homes

9.14 Distribution of Residential Disclosure Booklet

Under NAC 645.075, the Division must make copies of the booklet prepared under NRS 645.194 (residential property disclosures) available to licensees via methods including posting on its website, providing electronic copies to approved schools/instructors/sponsors, authorizing free reproduction, and mailing printed copies on request. Upon request at a Division office, the Division must provide a printed copy to any person.

- ✓ The Division must make the NRS 645.194 disclosure booklet available to licensees
- ✓ Distribution methods include website posting, mailing on request, and authorizing reproduction
- ✓ On request at a Division office, a printed copy must be provided to any person

9.15 Returned Check Sanctions and Fee

Under NAC 645.085, if a check or draft submitted to the Division is returned for insufficient funds/credit or stop payment, any authorization already obtained is involuntarily inactivated, and if not yet obtained, the Division may refuse to issue or reinstate it. The Division charges a $25 fee (or amount per NRS 353C.115/NAC 353C.400) for each returned check or draft.

- ✓ A returned check/draft results in involuntary inactivation of authorization already obtained
- ✓ If authorization not yet obtained, the Division may refuse to issue or reinstate it
- ✓ A $25 fee (or statutory amount) is charged for each returned check or draft

9.16 Background Investigation Fee

Under NAC 645.080, the fee for investigating the background of an applicant, licensee, certificate holder, registrant, or permit holder will not exceed the actual cost to conduct the investigation.

- ✓ Background investigation fees apply to applicants, licensees, certificate holders, registrants, and permit holders
- ✓ The fee will not exceed the actual cost of the investigation

CHAPTER 10

Licenses, certificates and examinations (645.100–645.380)

10.1 Salesperson License Application Requirements

An applicant for a real estate salesperson license in Nevada must meet a minimum age requirement and submit a complete application package to the Division under NRS 645.350. The application must include fingerprint cards, proof of completing required education, a passing exam grade, a verified statement, proof of good character, the welfare/child support statement, and required fees.

- ✓ Applicant must be at least 18 years of age
- ✓ Application must include a fingerprint card as required by NRS 645.355
- ✓ Must provide proof of satisfying salesperson educational requirements under NRS 645.343
- ✓ Must show a passing grade (per NAC 645.220) on the licensing examination
- ✓ Must include proof of honesty, truthfulness and good reputation, plus required fees

10.2 Broker License Requirements

A broker applicant must first obtain approval of financial condition from the Division before submitting an application. The applicant must meet salesperson requirements except education (substituting broker education), and must also prove they have satisfied the broker experience requirement.

- ✓ Must obtain Division approval of financial condition BEFORE applying
- ✓ Must submit proof of broker educational requirements under NRS 645.343 in lieu of salesperson education
- ✓ Must prove satisfaction of broker experience requirements under NRS 645.330(4)

10.3 Examination Fee and Passing Grade

The examination fee for an original license or reinstatement (broker, broker-salesperson, or salesperson) is $100. To pass, an applicant must score at least 75 percent.

- ✓ Examination fee for original or reinstatement is $100
- ✓ Passing grade requires at least 75 percent
- ✓ Examination period must not exceed 4 hours without prior written Division consent

10.4 Change in License Status or Association

Within 10 days after a change in association (other than termination), name, business location, or status, a licensee must request a Division license change on the required form and pay fees. The receipt serves as a temporary working permit pending the new license. A broker may change to broker-salesperson status by application.

- ✓ License change request must be submitted within 10 days of the change, with required fees
- ✓ The Division receipt constitutes a temporary working permit pending the new license
- ✓ A broker may change status to broker-salesperson by filing a Division form

10.5 Continuing Education Required for Renewal

The Division shall not renew an active broker, broker-salesperson, or salesperson license unless the licensee provides proof of compliance with continuing education requirements under NRS 645.575, including any postlicensing continuing education curriculum.

- ✓ Active license cannot be renewed without proof of continuing education compliance
- ✓ Includes postlicensing curriculum of continuing education per NRS 645.575

10.6 Renewal After License Expiration (Reinstatement)

A licensee who fails to file for renewal before expiration must not engage in real estate business until reinstated. Reinstatement requires applying on the proper form, paying fees, passing the exam if required, and submitting other required items including current fingerprint cards.

- ✓ A licensee with an expired license may not conduct real estate business until reinstated
- ✓ Reinstatement requires application, fees, exam if required, and current fingerprint cards

10.7 Broker-Salesperson License Requirements

A broker-salesperson applicant must satisfy all salesperson license requirements EXCEPT the salesperson educational requirement. Instead, the applicant must submit proof of completing the education required for a broker-salesperson license under NRS 645.343.

- ✓ Must meet all NAC 645.100 salesperson requirements except paragraph (b) education
- ✓ Must submit proof of broker-salesperson educational requirements under NRS 645.343

10.8 Personal Completion of Application

Each license application must be completed personally by the applicant. Commission members and Division employees are expressly prohibited from helping prepare an application.

- ✓ Application must be completed personally by the applicant
- ✓ Commission members and Division employees cannot help prepare the application

10.9 Requirement of Instruction and Experience Substitution

Original license applicants must submit a certificate from an accredited/approved institution proving successful completion of required courses under NRS 645.343. University/college coursework requires an official transcript. Mere attendance does not equal successful completion. Active experience may be substituted for college units.

- ✓ Original applicants must submit a certificate proving completion of required courses
- ✓ Mere classroom attendance does NOT constitute successful completion
- ✓ Each 2 years' active experience substitutes for 16 semester units of college-level courses
- ✓ No substitution allowed for any period less than 2 years
- ✓ Proof of active experience must be attested by the applicant's broker(s)

10.10 Investigation and Good Character of Applicants

The Division may investigate broker applicants, require additional information, and require a recent credit report. The Administrator may require proof of honesty, truthfulness and good reputation of any applicant, including corporate officers/directors and partnership members. Denial of a broker license for lack of financial responsibility does not waive the right to appeal by accepting a broker-salesperson license.

- ✓ Division may require a credit report dated within 30 days of application, at applicant's expense
- ✓ Administrator may require proof of honesty, truthfulness and good reputation of any applicant
- ✓ Denial for lack of financial responsibility does not waive appeal rights under NRS 645.440

10.11 Branch Office Licensing and Supervision

The broker is responsible for all branch offices. A branch license may only be issued in the name the broker is licensed under. A branch supervisor may manage only one branch office. Every branch must be supervised by a broker or broker-salesperson with at least 2 years active experience within the preceding 4 years.

- ✓ The broker is responsible for all branch offices operated
- ✓ A branch office license must be in the same name as the broker's main office
- ✓ A supervisor may not manage more than one branch office
- ✓ Branch supervisor must have 2 years active experience within the preceding 4 years in the U.S.
- ✓ If a branch trust account is established, one required signature must be the branch supervisor's

10.12 Management of Principal and Branch Offices

A broker-salesperson with at least 2 years active experience within the immediately preceding 4 years may act as an office manager for a principal or branch office, and must notify the Division of acting in that capacity. A broker-salesperson supervising a branch has all duties and penalties applicable to a broker.

- ✓ Broker-salesperson needs 2 years active experience within immediately preceding 4 years to manage an office
- ✓ Managing broker-salesperson must notify the Division of that capacity
- ✓ Supervising broker-salesperson has all broker duties and is subject to broker penalties

10.13 Cooperative Certificate Application for Out-of-State Brokers

An out-of-state licensed broker wishing to work with a Nevada broker must apply on a Division form, submitting their current license copy, 10-year employment history, transaction and client information, and a Nevada broker's consent statement. The application must be completed personally by the out-of-state broker. Fees are non-refundable if the certificate is not issued.

- ✓ Out-of-state broker must apply on a Division form with a copy of current out-of-state license
- ✓ Must include a 10-year employment history and Nevada broker's consent statement
- ✓ Application must be completed personally by the out-of-state broker; no assistance permitted
- ✓ Applicant must be in good standing in the jurisdiction of their principal place of business
- ✓ A Nevada resident holding an out-of-state license is NOT eligible for a cooperative certificate

10.14 Cooperative Certificate Use and Limits

A cooperative certificate is valid for the earlier of 12 months or completion/termination of the single identified transaction, is non-transferable, and may be issued only to a natural person broker (not an entity). The Nevada broker must be in charge of the transaction start to finish, and all money must be handled only by the Nevada broker per NRS 645.310. The certificate cannot be used to list/sell Nevada property for its owner—only to represent non-Nevada residents purchasing Nevada real estate.

- ✓ Certificate valid for earlier of 12 months or completion/termination of the single transaction
- ✓ Certificate is non-transferable and issued only to a natural person, not an entity
- ✓ The Nevada broker must be in charge of the transaction from beginning to end
- ✓ All transaction money may be handled only by the cooperating Nevada broker per NRS 645.310
- ✓ Certificate may only represent non-Nevada residents purchasing Nevada real estate, not to sell on behalf of Nevada owners

10.15 Scope of the Licensing Examination

The exam covers Principles (contract law, real estate law/conveyancing, listing, selling, deposits), Practices (land economics/appraising, descriptions, financing/insurance, math, escrows/closings, subdivisions, property management, environmental and tax issues), and Procedures & Ethics including NRS chapters and key federal laws.

- ✓ Exam covers Principles, Practices, and Procedures & Ethics
- ✓ Includes federal laws: Fair Housing Act, Truth in Lending, RESPA, ADA, ECOA, Interstate Land Sales, and Lead-Based Paint Act
- ✓ Salesperson and broker exams may differ

10.16 Examination Aids and Conduct

Use or possession of unfair methods, notes, giving/receiving aid, or failing to follow instructions during the exam results in denial of the application and license. Only a silent, cordless, non-programmable calculator without tape printing or alphabet keyboard may be used.

- ✓ Cheating, aid, or disobeying instructions results in denial of application and license
- ✓ Applicant may not retain any examination materials
- ✓ Only a silent, cordless, non-programmable calculator (no tape print, no alphabet keys) is permitted

10.17 Period for Acceptance of Exam Results

The Division only accepts examination results for 12 months after the date the results were issued.

- ✓ Exam results are valid for only 12 months after issuance
- ✓ Results issued more than 12 months prior are not accepted

10.18 Termination of Association or Employment

When a broker-salesperson or salesperson ends their association, the broker (or owner-developer) must file a notice of termination on a Division form plus any requested information, in addition to NRS 645.580 requirements. If the broker fails to comply timely, the licensee may apply for an administrative termination.

- ✓ Broker/owner-developer must file a notice of termination on a Division form upon termination
- ✓ If broker fails to comply timely, the licensee may apply for administrative termination
- ✓ Licensee may personally deliver license with signed original notice of termination

10.19 Inactive Renewed Status Placement and Renewal

A licensee may be placed on inactive renewed status by applying to the Division; no fee refund is given for the unexpired license term. Those on inactive renewed status must still apply for renewal on or before each license anniversary.

- ✓ Placement on inactive renewed status requires a Division application form
- ✓ No refund of fees for the unexpired term of the license
- ✓ Inactive renewed licensees must renew on or before each license anniversary

10.20 Reinstatement from Inactive Renewed Status

A licensee in good standing on inactive renewed status may apply to reinstate to active status with the required form, fees, Recovery Fund fee, continuing education evidence, and (for brokers) a financial statement. If inactive for more than 2 years, the licensee must also show competency and pass an exam with at least 75 percent.

- ✓ Reinstatement requires fees, Recovery Fund fee, and proof of continuing education
- ✓ Broker reinstatement also requires a completed financial statement
- ✓ If inactive more than 2 years, must show competency and pass an exam with at least 75 percent

10.21 Failure of Broker to Renew License

If a broker fails to renew, associated licensees' renewed licenses are immediately placed on inactive renewed status. Within 30 days, a licensee may transfer to another broker or reactivate if the original broker reinstates. Failure to reassociate within 30 days means the licensee can only reinstate under NAC 645.325.

- ✓ If a broker fails to renew, associated licensees are immediately placed on inactive renewed status
- ✓ Licensee has 30 days to transfer to another broker or reactivate under the reinstated broker
- ✓ Failure to reassociate within 30 days requires reinstatement under NAC 645.325

10.22 Involuntary Inactivation, Suspension, or Revocation

If a broker's license is involuntarily inactivated, suspended, or revoked, the broker must deliver their license and those of associated licensees to the Division; no refunds are given. Associated licensees may transfer to another broker. A licensee's license automatically expires upon death, and a licensed broker may act as brokerage broker for up to 60 days after the acting broker's death with proper notice.

- ✓ Broker must deliver own and associated licensees' licenses upon involuntary inactivation/suspension/revocation
- ✓ No refund is made for involuntary inactivation, suspension, or revocation
- ✓ A license automatically expires upon the death of the licensee
- ✓ Upon death of the acting brokerage broker, another licensed broker may serve up to 60 days, with written notice within 7 business days

10.23 Grounds for Involuntary Inactivation

The Division may involuntarily inactivate a license if a broker discontinues business at the registered address, a licensee is no longer associated with their broker, fails to report an address change within 10 days, fails to pay renewal fees, or fails to submit a required license change request within 10 days.

- ✓ Failure to report business address change within 10 days is grounds for involuntary inactivation
- ✓ Non-payment of renewal fee is grounds for involuntary inactivation
- ✓ Reinstatement requires satisfying NAC 645.325 requirements

10.24 Business Entity License Applications

When the applicant is a partnership, LLC, or corporation, it must file a certified or verified copy of its formation document (partnership agreement, articles of organization, or articles of incorporation).

- ✓ Partnership/LLC/corporation applicant must file certified or verified copy of formation documents
- ✓ Applies to partnership agreement, articles of organization, or articles of incorporation as appropriate

10.25 Verification of Active Experience

The Division requires a verified statement from an employing broker or a managing broker-salesperson documenting a licensee's experience, reported on a Division form covering period of association, average hours worked, and other contributing activities.

- ✓ Verified statement must come from employing broker or managing broker-salesperson
- ✓ Must report period of association and average weekly hours worked under supervision

10.26 Lost, Destroyed, or Stolen License

If a license must be surrendered but cannot be, the licensee must file an affidavit with the Division showing the license was lost, destroyed, or stolen, including a promise to return it if recovered.

- ✓ Must file an affidavit stating the license was lost, destroyed, or stolen
- ✓ Affidavit must include a promise to return the license if recovered

10.27 Broker Independent License Alongside Entity Designation

A broker designated by a partnership, LLC, or corporation may also obtain an individual license to act on their own behalf by submitting Division forms and paying an original license fee. This broker must maintain separate office records and a separate trust account, and the entity must acknowledge the broker's independent business.

- ✓ A designated broker may obtain an additional individual license by paying an original license fee
- ✓ Must maintain separate records and a separate trust account from the entity
- ✓ The entity must submit a statement acknowledging the broker's independent business

CHAPTER 11

Education: prelicensing, postlicensing, continuing education (645.400–645.467)

11.1 Certification Requirements for Original Licensing Courses

An approved school must require each student to attend the required hours and take at least two examinations as a condition of certification. Schools may certify only the number of hours approved by the Division. The entire course must be completed to satisfy licensing requirements — a portion does not qualify. An 'hour of instruction' means 50 minutes or more, and one semester credit equals 15 hours of instruction.

- ✓ Students must attend required hours and take at least two examinations to be certified
- ✓ An 'hour of instruction' means 50 minutes or more; one semester credit = 15 hours
- ✓ The entire course must be completed; a portion does not satisfy licensing requirements

11.2 Course Required to Obtain Original Salesperson License

NAC 645.435 requires a salesperson prelicensing course of at least 120 hours of classroom lectures (or distance-education equivalent), divided by subject: at least 45 hours on principles and practices (brokerage/agency 21, valuation/economics 12, finance 12); at least 45 hours on law of property, regulation and ethics (ownership/transfer/use 25, chapters 113/116/119/119A/645/645C/645D of NRS 18, applied practice and statutory disclosures 2); at least 15 hours on preparation of contracts; and at least 15 hours on agency (3 hours each on broker-agent relationship foundation and risk reduction).

- ✓ Original salesperson course must be at least 120 hours of classroom lectures or distance-education equivalent
- ✓ Content: 45 hours principles/practices, 45 hours law/regulation/ethics, 15 hours contracts, 15 hours agency
- ✓ Agency portion must include 3 hours on broker-agent relationship foundation and 3 hours on risk reduction

11.3 Postlicensing Education for First-Time Licensees

Each first-time licensee must take a prescribed postlicensing course focused on practical applications, completed within the first year after initial licensing. It must not repeat original-license content, be offered in modules (at least 15 modules covering topics like contracts, listing, buyer representation, ethics, advertising, agency, disclosures, property management, escrow/title/closing, financing, negotiation, and taxes), and be provided by live instruction (rural licensees may request distance education). Exemptions apply to licensees holding an out-of-state license, those who held a Nevada license within the prior 5 years, and certain broker-salespersons under NRS 645.343(4).

- ✓ First-time licensees must complete postlicensing education within the first year after initial licensing
- ✓ Postlicensing curriculum must contain at least 15 modules and must be by live instruction (rural exception)
- ✓ Postlicensing courses are separate from continuing education and cannot be credited as CE

11.4 General Requirements for License Renewal/Reinstatement

To renew an active license, a licensee must show compliance with postlicensing (NAC 645.4442) for renewal of an initial license, or continuing education (NAC 645.448/645.449) for later renewals. To reinstate an inactive license, the licensee must meet NAC 645.4441 requirements. For compliance purposes, 50 or more minutes of actual instruction constitutes a clock hour. Reinstatement requirements vary with the inactive period: less than 2 years generally requires the applicable postlicensing or 36 CE hours; 2 years or more may require postlicensing plus an additional 36 CE hours.

- ✓ 50 or more minutes of actual instruction constitutes a clock hour
- ✓ Renewal of the initial license requires postlicensing education, not continuing education
- ✓ Reinstatement after 2+ years inactive may require postlicensing plus an additional 36 CE hours

11.5 Continuing Education Hours for License Renewal

For renewals after the first renewal of an initial license, salespersons must complete at least 36 CE hours including agency relationships (3), Nevada law (3), contracts (6), ethics (3), risk reduction (3), and 18 hours of designated CE. Brokers/broker-salespersons must complete 36 hours including agency (3), Nevada law (3), contracts (6), ethics (3), broker management (6), risk reduction (3), and 12 designated hours. Proof must be provided before the end of each 2-year renewal period. At least 50% of required CE must be by live instruction (rural licensees may request distance education).

- ✓ Salespersons and brokers each need at least 36 CE hours per 2-year renewal period
- ✓ Broker CE must include 6 hours of broker management; salesperson CE does not
- ✓ At least 50 percent of required CE hours must be through live instruction (rural exception)

11.6 Restrictions on Receiving Continuing Education Credit

NAC 645.463 sets key limits on CE credit: a course may not be taken for credit more than once during a single licensing period; courses used for renewal or reinstatement must be completed within the 2 years immediately before the renewal/reinstatement deadline; a licensee receives credit only upon sponsor certification of attending and completing at least 90% of the course; and the sponsor determines whether a final examination is required for course completion.

- ✓ A CE course may not be taken for credit more than once in a single licensing period
- ✓ CE courses must be completed within 2 years immediately before renewal/reinstatement
- ✓ Credit requires attendance and completion of at least 90 percent of the course

11.7 Key Education Definitions Under NAC 645.400

NAC 645.400 defines core terms used throughout the education regulations. A 'first-time licensee' has not held a Nevada real estate license within the immediately preceding 5 years at the time the current license is issued. An 'initial license' is the first license issued to a first-time licensee. A 'rural area' is any area more than 100 miles from a Nevada city with a population of 40,000 or more. 'School' includes any Nevada System of Higher Education institution (or equivalently accredited university/college) and any professional school or college licensed by the Nevada Commission on Postsecondary Education.

- ✓ 'First-time licensee' = has not held a Nevada license within the preceding 5 years
- ✓ 'Rural area' = more than 100 miles from a Nevada city with population of 40,000 or more
- ✓ 'Initial license' = first license issued to a first-time licensee

11.8 Approval of Schools by the Division

A school wishing to offer courses meeting the educational requirements for original licensing must apply annually to the Division (on behalf of the Commission) on a prescribed form and pay fees. The application must include extensive information, including instructor lists, course syllabi, textbooks, examinations with answers, and a statement of the 75% passing requirement. A school not qualifying under the NSHE 'school' definition must prove it is licensed by the Commission on Postsecondary Education.

- ✓ School approval must be applied for annually to the Division and appropriate fees paid
- ✓ Application must state that a student must earn at least 75 percent of possible points to pass a course
- ✓ Schools not part of NSHE must show licensure by the Nevada Commission on Postsecondary Education

11.9 School Recordkeeping and Renewal Obligations

Approved schools must maintain each student's attendance and certification records for 7 years after enrollment, open to Division inspection during business hours, and furnish records to transferring students and the Division on request. Schools must notify the Division within 15 days of any material change affecting approval, and must submit renewal materials before July 1 each year including certification, a sworn statement, and course fees. The Division may deny renewal to noncompliant schools.

- ✓ Schools must keep student attendance/certification records for 7 years after enrollment
- ✓ Material changes affecting approval must be reported to the Division within 15 days
- ✓ School renewal materials must be submitted before July 1 annually

11.10 Correspondence Course Certification Rules

When a school offers an original-licensing course by correspondence, it must require each student to take a closed-book final examination with a proctor present at a Division-designated location, take two progress examinations or quizzes in addition to the final, prove identity before any examination, and complete each course within an established minimum and maximum time. Only approved hours may be certified, and a portion of a course does not satisfy license requirements.

- ✓ Correspondence final exam must be closed-book and proctored at a designated location
- ✓ Two progress exams/quizzes required in addition to the final examination
- ✓ Student identity must be proven before taking any examination

11.11 Broker Management Course for Original Broker License

Per NAC 645.437, a broker management course fulfilling requirements of NRS 645.343(2)(e) must be Division-approved and include specified hours: 6 hours office policy/risk management/independent contractors, 3 hours business plans, 3 hours brokerage forms, 6 hours financing overview, 6 hours state/local laws, 6 hours federal laws, 6 hours agent-client relationships, 3 hours valuation/economics, and 6 hours emerging trends. The Division accepts, without prior approval, such courses from NSHE or equivalently accredited institutions if they meet these minimums.

- ✓ Broker management course must be Division-approved and cover the specified hour breakdown
- ✓ NSHE and equivalently accredited courses are accepted without prior approval if they meet the minimum hours/subjects
- ✓ Broker management courses are a distinct requirement for original broker/broker-salesperson licensing

11.12 Acceptance and Unacceptable Prelicensing Courses

The Division must approve schools before they offer original-licensing courses, but accepts (except broker management) courses from NSHE/accredited institutions and appraisal courses of at least 45 hours from ASA, Appraisal Institute, or IAAO (45 hours = 3 semester credits in appraisal). The Division will not accept 'cram courses' designed to prepare for the exam, clerical/office skills courses unrelated to real estate activities (typing, business machines, computer software, memory improvement), or business courses in advertising or psychology. Broker management courses require both course and school approval.

- ✓ 'Cram courses' designed to prepare for exam are not accepted for original licensing
- ✓ Clerical/office skills, advertising, and psychology courses are not accepted
- ✓ Appraisal courses of 45+ hours from ASA, Appraisal Institute, or IAAO count as 3 semester credits

11.13 Instructor Approval and Qualification Requirements

An instructor must have written Division approval before teaching an approved course. The Division cannot, without Commission approval, approve someone disciplined within the preceding 5 years or more than once, or found in a proceeding to have violated real estate laws. Qualifying credentials include a bachelor's/advanced degree plus 2 years full-time experience, 75 hours of recent teaching plus 3 years experience, 6 years full-time experience, or a combination of 6 years of coursework and experience — plus good reputation and documentation. Denials may be appealed to the Commission within 30 days.

- ✓ Instructors must have written Division approval before teaching an approved course
- ✓ Commission approval required to approve someone disciplined within 5 years or more than once
- ✓ Denial of instructor approval may be appealed to the Commission within 30 days

11.14 Duties of Sponsors and Approval Period for Courses

Course sponsors must not let licensees pass by exam without required attendance, must admit Division auditors, notify the Division within 15 days of material course changes, and limit product announcements to 1 minute per credit hour. Division approval of original, postlicensing, and continuing education courses is effective for 1 year. Renewal applications must be filed at least 2 weeks before expiration or the sponsor must reapply for original approval. The Division lists numerous grounds to withdraw or refuse renewal (poor quality, false statements, discrimination violations, discipline, etc.).

- ✓ Course approval is effective for 1 year after original approval or renewal
- ✓ Renewal must be filed at least 2 weeks before expiration or original approval must be sought
- ✓ Sponsors must notify the Division within 15 days of any material change in the course

11.15 Withdrawal of Course/Instructor Approval and Student Credit

When the Administrator intends to withdraw approval of a course or instructor, they must notify the sponsor with specific reasons; the sponsor has 30 days to respond. Withdrawal becomes effective upon mailing the decision by certified mail. Importantly, if approval is withdrawn, the Division still gives credit to any student who began the course before the sponsor received written notice of withdrawal. Sponsors may appeal to the Commission within 30 days of the withdrawal's effective date.

- ✓ Students who began a course before written notice of withdrawal still receive credit
- ✓ Sponsor has 30 days to respond to a withdrawal notice and 30 days to appeal after it becomes effective
- ✓ Withdrawal becomes effective upon mailing of the decision by certified mail

11.16 Postlicensing Course Approval and Completion Standards

Postlicensing course approval must be applied for on a Division form and cannot be granted retroactively. Sponsors must certify attendance, maintain records for 4 years, ensure an approved instructor presides, require a closed-book proctored final exam with at least 75% to pass, verify identity, and require completion of the entire course. Credit is given only for approved hours. Certificates must contain specified information, and course materials must state Nevada postlicensing approval, credit hours, and the sponsor number. Professional-organization sponsors cannot restrict attendance to members.

- ✓ Retroactive approval is not granted for postlicensing courses
- ✓ Final exam must be closed-book, proctored, and require at least 75 percent to pass
- ✓ Attendance records must be maintained for at least 4 years

11.17 CE Exemption for Senior Long-Term Licensees

Under NAC 645.449, a licensee who is 65 or older and has been licensed in good standing in Nevada for 30 years or longer may apply to the Division for an exemption from the standard 36-hour CE requirement. If approved, a salesperson must instead complete at least 12 CE hours and a broker/broker-salesperson at least 15 CE hours, all devoted to ethics, professional conduct, or legal aspects, including 3 hours each in agency relationships, Nevada law, contracts, ethics (and broker management for brokers). This exemption does not apply to permit-related CE under NRS 645.6052 or 645.863.

- ✓ Exemption requires age 65+ and 30+ years licensed in good standing in Nevada
- ✓ Exempt salespersons still need 12 CE hours; brokers need 15 CE hours in specified subjects
- ✓ The exemption does not relieve holders of permits from permit-related CE requirements

11.18 Standards and Limits for Continuing Education Courses

CE courses must contain current real estate information improving professional knowledge and relating to Nevada laws. Acceptable subjects include ethics, legislative issues, real estate law administration, financing, market evaluation, brokerage administration, property management, agency, contracts, disclosures, commercial real estate, environmental issues, and risk reduction. Unacceptable: cram courses, clerical/office skills, sales-promotion meetings, orientation courses, and (except a Division exception) instructor-development courses. The Division approves no more than 7 hours/day without a final exam, or 8 hours/day if a final exam is given.

- ✓ The Division approves no more than 7 CE hours per day without a final exam, or 8 with one
- ✓ Cram courses, clerical-skills courses, and sales-promotion meetings do not qualify for CE
- ✓ Acceptable CE subjects include ethics, agency, contracts, disclosures, and risk reduction

11.19 CE Course Approval, Records, and Roster Submission

CE course approval is applied for on a Division form and may be granted retroactively. Credit is given only if a classroom course is at least 1 hour (or distance education at least 3 hours), attendance is certified, records are kept 4 years, and an approved instructor presides (classroom) or a proctored closed-book final requiring 75% is used (distance). Sponsors must issue certificates with specified content and, within 3 business days after completion, electronically submit a roster to the Division, correcting errors within 5 business days. Denials may be appealed to the Commission within 30 days.

- ✓ Classroom CE must be at least 1 hour; distance-education CE must be at least 3 hours
- ✓ Sponsors must electronically submit completion rosters within 3 business days
- ✓ CE attendance/completion records must be kept for at least 4 years

11.20 Restrictions on Persons Associated With Schools Taking Exam

Under NAC 645.442, an owner, instructor, affiliate, or other person associated with an approved school may not take a Division real estate examination unless they first submit a written statement that the purpose is to fulfill a licensing requirement and a written agreement to apply for a license upon passing. Such schools and associated persons may not solicit information to discover past exam questions or distribute/communicate exam questions without prior written approval of the copyright owner.

- ✓ School-associated persons may only take the exam by stating intent to license and agreeing to apply upon passing
- ✓ Schools may not solicit or distribute past examination questions without copyright owner's written approval

11.21 Approval Requirements for Distance Education Courses

NAC 645.443 requires distance-education courses to ensure active student participation with substantial interaction, use testing/remedial processes if continuous audio-visual instructor contact is lacking, be designed so an average student completes within approved hours, and provide technical support. An approved instructor must respond to student questions within 2 business days (deemed timely). Sponsors must maintain signed student certifications and contact records. The Division considers whether the course is at least 3 hours, requires a proctored/secure written exam, and is accredited or from an accredited institution.

- ✓ Instructor responses to student questions are timely if made within 2 business days
- ✓ Course must generally be at least 3 hours and require a proctored or secure written examination
- ✓ Sponsors must retain signed student completion certifications and student contact records

11.22 Certificate of Completion and Attendance Requirements

Students must direct attention to instruction and refrain from disruptive or unrelated activities (including cellphone/laptop use) to receive a certificate and be listed on the attendee roster. An instructor must deny a certificate to a student who fails these conditions and omit their name from the roster. A denied student may request Administrator review within 30 days; if allegations would qualify them, an informal hearing is set. Certificates must contain sponsor and licensee names, license number, course title/hours, dates, Division course number/approval statement, authorized signature, and pass statement.

- ✓ Instructors must deny certificates to disruptive or inattentive students and omit them from the roster
- ✓ A denied student may request Administrator review within 30 days
- ✓ Certificates must state the Division course number and that the course was Division-approved

CHAPTER 12

Standards of practice: broker responsibilities, advertising, offers, disclosures, records, trust accounts, advance fees, fines (645.600–645.695)

12.1 Broker supervision of associated licensees (NAC 645.600)

Every broker must teach associated licensees the fundamentals of real estate/time-share practice and professional ethics, and must supervise their activities, employees, and business operations. Supervision requires written policies, rules, procedures, and systems to review and manage transactions, documents, recordkeeping, handling of money, advertising, and legal compliance including anti-discrimination laws. Broker must establish a monitoring system, may delegate administration to a broker-salesperson but cannot relinquish overall responsibility, and may retain licensees as independent contractors by written, signed, dated agreement.

- ✓ Broker must teach fundamentals and ethics and supervise licensees, employees, and business
- ✓ Supervision includes policies over transactions, documents, recordkeeping, money handling, advertising, and legal/anti-discrimination compliance
- ✓ Broker may delegate to a broker-salesperson but retains overall supervisory responsibility
- ✓ Independent contractor agreement must be signed/dated and describe supervision

12.2 Considerations in determining licensee misconduct (NAC 645.605)

In determining gross negligence/incompetence under NRS 645.633(1)(h) or deceitful/fraudulent/dishonest dealing under NRS 645.633(1)(i), the Commission considers factors including protecting the public against fraud, ascertaining pertinent facts, not exceeding one's field of competence without disclosure, disclosing interest/expected referral fees in writing, keeping current on laws, fidelity to principal and fair dealing with all parties, written signed agreements with copies to all, obtaining changes in writing, conveying material facts, and whether the licensee impeded a Division investigation. A licensee shall not accept compensation from more than one party without full disclosure to all parties.

- ✓ Licensee must disclose in writing any interest, referral fees, or expected compensation from service providers
- ✓ Cannot accept compensation from more than one party without full disclosure to and consent from all parties
- ✓ Must convey all reasonably ascertainable material facts to the parties
- ✓ Impeding an investigation (delaying documents, false information, forged/altered docs, concealing facts) is misconduct

12.3 Advertising restrictions and use of licensed name (NAC 645.610)

Advertisements of services requiring a license must not be false or misleading. A licensee cannot use their name/phone in a 'for sale/lease by owner' ad unless they have an ownership interest, in which case they must use 'for sale/lease by owner-broker' or 'owner-agent.' The brokerage firm name must appear with prominence. A licensee cannot advertise another broker's exclusively-listed property without prior written consent (which the listing broker cannot give/withhold without the owner's knowledge). Licensees must conspicuously include their license number in advertisements. Franchise ads must include the licensed name and note each office is independently owned/operated. 'Advertisement' broadly includes printed, broadcast, electronic, Internet, social media, signs, billboards, business cards, and transaction documents.

- ✓ Advertising must not be false or misleading
- ✓ 'For sale by owner' ads with licensee name require ownership interest and 'owner-broker'/'owner-agent' wording
- ✓ Brokerage firm name must be clearly identified with prominence
- ✓ Prior written consent required to advertise another broker's exclusive listing
- ✓ Licensee must conspicuously include license number in ads; franchise ads must state each office is independently owned and operated

12.4 Disclosure of unmerchantable title and agent/principal status (NAC 645.635, 645.637)

A licensee may not sell or offer to sell real property or a time share knowing the title is unmerchantable unless the buyer is notified before paying any part of the purchase price. In every transaction involving a licensee as agent or principal, the licensee must clearly disclose in writing to the client and any unrepresented party the agent relationship or principal status. Disclosure must be as soon as practicable but no later than when any written document is signed, then confirmed in a separate provision and kept in the broker's transaction files.

- ✓ Must notify buyer of unmerchantable title before any part of the purchase price is paid
- ✓ Licensee must disclose agent relationship or principal status in writing to client and unrepresented parties
- ✓ Disclosure required no later than signing of any written document, confirmed separately, and kept in broker's files

12.5 Disclosure of licensee's interest in transactions (NAC 645.640)

A licensee must not acquire, lease, or dispose of any property/time share (or interest) for themselves, immediate family, their firm/members, or an entity in which they have an ownership interest without first disclosing in writing (1) that they are acting for themselves/related party, and (2) that they are a licensed broker, broker-salesperson, or salesperson (active or inactive). If advertising such a property or intent, the licensee must include this disclosure in the advertisement.

- ✓ Written disclosure required before acquiring/leasing/disposing of property for self, family, firm, or owned entity
- ✓ Must disclose licensed status (active or inactive) as broker/broker-salesperson/salesperson
- ✓ Disclosure must be included in any advertisement for such transactions

12.6 Record maintenance periods and paperwork submission (NAC 645.650)

A broker must keep complete real estate transaction and property management records for at least 5 years after closing or the last activity involving the property, including unaccepted offers and incomplete transactions, unless otherwise directed by the Division. A salesperson or broker-salesperson must provide paperwork to their broker within 5 calendar days after it is executed by all parties.

- ✓ Broker must retain complete transaction and property management records at least 5 years
- ✓ Retention includes unaccepted offers and incomplete transactions
- ✓ Salesperson/broker-salesperson must give paperwork to broker within 5 calendar days of full execution

12.7 Records of transactions and trust account rules (NAC 645.655)

Each brokerage transaction must be numbered consecutively or indexed for audit. Complete records must be kept in Nevada and open to Division inspection/audit; electronically stored records require providing access to equipment. The broker must give written notice of records' exact location and not move them until notifying the Division. No custodial/trust account may allow withdrawal without a licensee's signature (rubber stamp is insufficient), and a salesperson may not be the only required signatory (may cosign with the broker). A broker filing bankruptcy must immediately terminate trust accounts and deposit funds into escrow with disbursement instructions. A property-management broker must keep two separate property-management trust accounts (one for rental operations, one for security deposits) distinct from other trust accounts, with a ledger for each unit. Trust accounts must be reconciled monthly within 30 days of the bank statement; allowing an account/ledger to remain in deficit more than 45 consecutive days in a year is subject to discipline.

- ✓ Records must be kept in Nevada, numbered/indexed, and open to Division audit
- ✓ No trust account withdrawal without a licensee's signature; salesperson cannot be sole signatory
- ✓ Property managers must keep two separate trust accounts (rental operations and security deposits) with per-unit ledgers
- ✓ Trust accounts must be reconciled monthly within 30 days; deficit over 45 consecutive days/year is subject to discipline

12.8 Payment of deposits and escrow interest disclosure (NAC 645.657, 645.660)

A licensee who receives a deposit on behalf of a broker or owner-developer must pay it over to that broker/owner-developer or to the designated escrow business/company within 1 business day after receiving a fully executed contract. A licensee must not deposit money into any escrow business/company in which the licensee or an associate has an interest without disclosing this association to all parties.

- ✓ Deposits must be paid over within 1 business day after receiving a fully executed contract
- ✓ Must disclose to all parties any interest of the licensee or associate in the escrow company used

12.9 Naming false consideration prohibited (NAC 645.525)

A licensee may not participate in naming a false consideration in any document, regardless of whether the seller discloses or agrees to it. The only exception is when the consideration is obviously nominal (e.g., '$10 and other valuable consideration').

- ✓ Licensee shall not participate in naming false consideration in any document
- ✓ Exception only for obviously nominal consideration
- ✓ Seller disclosure or agreement does not excuse the violation

12.10 Exclusive agency cooperation and sign placement (NAC 645.535)

A cooperating licensee cannot invite another licensee's cooperation without the listing broker's or agent's consent. Only one licensee may place a for-sale/rent/lease/exchange sign on property unless the owner authorizes more in writing. Consent of the exclusive broker is required before negotiating with the owner/principal, and the exclusive broker must cooperate with other brokers when it serves the client, sharing commissions on a previously agreed basis.

- ✓ Signs must not be placed by more than one licensee unless owner authorizes in writing
- ✓ Must get consent of exclusive broker before negotiating with owner/principal
- ✓ Exclusive broker must cooperate with other brokers when in client's interest

12.11 Authorization to negotiate with another broker's client (NAC 645.541)

A broker with exclusive authority (exclusive agency, exclusive buyer's brokerage, or exclusive right to sell/lease) may authorize another licensee to negotiate directly with the client if written authorization is obtained per NRS 645.635(2), on a Division-prescribed form. Such negotiation or communication does NOT create an express or implied agency relationship between the cooperating licensee and the authorizing broker's client.

- ✓ Written authorization on Division-prescribed form is required
- ✓ Broker must provide a copy of the authorization to any cooperating licensee upon request
- ✓ Negotiation/communication under this authorization creates no agency relationship with that client
- ✓ 'Negotiate' means communicating/reviewing terms of an offer, counteroffer, or proposal or assisting in such communication

12.12 'Present all offers' and 'exclusive agency representation' interpreted (NAC 645.546)

Under NRS 645.254, 'present all offers' includes accepting delivery of or conveying an offer/counteroffer, answering client questions about it, and assisting in preparing, communicating, or negotiating it. Under NRS 645.320, 'exclusive agency representation' means an agency relationship of one broker and one client, including exclusive agency listing agreements, exclusive buyer's brokerage agreements, or exclusive right to sell/lease listing agreements.

- ✓ 'Present all offers' includes conveying, answering questions about, and assisting with offers/counteroffers
- ✓ 'Exclusive agency representation' = one broker and one client relationship
- ✓ Includes exclusive agency, exclusive buyer's brokerage, and exclusive right to sell/lease agreements

12.13 Advertising nicknames, teams, and Internet dissemination (NAC 645.6105, 645.611, 645.613)

A licensee may advertise using a nickname only if it is not materially misleading as to identity/affiliation/nature of services, uses no numbers or spaces, would not suggest discriminatory practices, and complies with all provisions. The terms 'team' or 'group' may be used only if it is not unlawful/deceptively similar trade name use, the team has more than one licensee, all members work for the same broker, and the name includes the name and license number of at least one member. A licensee disseminating unsolicited property information via Internet or email is engaged in advertising and must comply with advertising rules; clicking an acceptance box is insufficient to create an agency relationship (a legal signature is required).

- ✓ Nickname must not be materially misleading and cannot use numbers or spaces
- ✓ 'Team'/'group' requires more than one licensee, same broker, and name/license number of at least one member
- ✓ Unsolicited Internet/email property marketing is advertising and must comply with advertising rules
- ✓ Clicking an acceptance box does not create agency; a legal (appropriate) signature is required

12.14 Business sign and fictitious name requirements (NAC 645.615, 645.620)

A broker's required sign (NRS 645.560) must be readable from the nearest public sidewalk, street, or highway; if in an office building/hotel/apartment, it must appear on the building directory or entrance exterior. On demand, the broker must furnish a photo of the sign. A broker may not operate under a fictitious name unless complying with NRS Chapter 602 and filing a certified copy of the county clerk's certificate with the Division. Any change/assumption of a fictitious name must be filed within 10 days. A broker may use only one name per license.

- ✓ Broker sign must be readable from nearest public sidewalk/street/highway
- ✓ Fictitious name requires compliance with Chapter 602 and filing certified certificate with Division
- ✓ Fictitious name changes must be filed within 10 days
- ✓ Broker may use only one name per license

12.15 Office location and prompt tender of offers (NAC 645.627, 645.630)

A broker must establish an office easily accessible to the public and compliant with local zoning; a home office or shared-business office requires a separate room(s) for real estate business. A licensee must promptly deliver every bona fide offer (with all terms) to the seller, and promptly deliver copies of each acceptance of an offer or counteroffer to both purchaser and seller.

- ✓ Broker office must be publicly accessible and comply with local zoning; home/shared offices need separate room(s)
- ✓ Every bona fide offer with all terms must be promptly delivered to the seller
- ✓ Copies of each acceptance of an offer/counteroffer must be promptly delivered to buyer and seller

12.16 Notification of rejected offer/counteroffer (NAC 645.632)

If a seller does not accept an offer within a reasonable time, the licensee representing the seller must provide the buyer (or buyer's representative) written notice signed by the seller stating the offer was not accepted. Conversely, if a buyer does not accept a counteroffer within a reasonable time, the licensee representing the buyer must provide the seller written notice signed by the buyer that the counteroffer was not accepted.

- ✓ Seller's licensee must give buyer written notice signed by seller when an offer is not accepted
- ✓ Buyer's licensee must give seller written notice signed by buyer when a counteroffer is not accepted
- ✓ Notice is required after a reasonable time without acceptance

12.17 Cooperation with Division inspections and audits (NAC 645.645, 645.670)

On demand, a broker must provide the Division documents and permission to fully inspect and audit, including money accounts under NRS 645.310 and 645.313; permission may be on a Division form releasing banks/holders from liability. Division inspections may cover office address, sign, deposit procedures, trust records, indexing/numbering systems, advertising, availability of current statutes/regulations, and developer affiliations under Chapters 119/119A.

- ✓ Broker must, upon demand, provide documents and permission for full inspection/audit including money accounts
- ✓ Permission form releases banks/holders from liability for disclosure
- ✓ Inspections cover sign, deposit procedures, trust records, indexing, advertising, and statute availability

12.18 Broker's prolonged absence from business (NAC 645.665)

A sole broker in an office may not be absent 30 days or more unless they inactivate their license or notify the Division in advance. For absences of 30 days or more, the broker must designate an office manager under NAC 645.178 or make other Division-approved arrangements in advance. Failure to comply is a ground for suspension.

- ✓ Sole broker cannot be absent 30+ days without inactivating license or notifying Division in advance
- ✓ 30+ day absence requires designating an office manager or Division-approved arrangements
- ✓ Noncompliance is a ground for suspension

12.19 Advance fee agreements and rental listing duties (NAC 645.675, 645.678)

Each advance fee agreement must be in writing, describe the services, state the total fee and when due, not guarantee a result, specify a full performance date, not imply a buyer is immediately available, and provide a full refund if services are not substantially/materially provided. Oral representations made to induce signing are incorporated into the agreement. A broker operating a rental-listing agency for an advance fee must get owner approval before advertising a rental, provide full refunds if services were not substantially received, inform customers in writing of the service term, and make no additional charge during the initial period.

- ✓ Advance fee agreements must be written, describe services, state fee/due date, and not guarantee results
- ✓ Must provide a full refund if services are not substantially/materially provided
- ✓ Oral representations to induce signing are incorporated into the agreement
- ✓ Rental-listing brokers need owner approval before advertising and must disclose the service term in writing

12.20 Complaint form, investigations, and Administrator action (NAC 645.680)

The Division prepares a standard citizen's complaint form/affidavit. On a complaint or requested investigation, the Administrator appoints a staff investigator to examine actions violating Chapters 113, 116, 119, 119A, 119B, 645, 645C, or 645D or their regulations; the investigation need not be limited to the complaint. A licensee must disclose all pertinent facts and documents to investigators. After reviewing the written report, the Administrator may dismiss, impose an administrative fine, negotiate a resolution/sanctions, create an advisory committee (if the licensee agrees to an informal conference), or schedule a hearing under NAC 645.810.

- ✓ Licensee must disclose all pertinent facts and documents to Division investigators
- ✓ Investigations need not be limited to the matter in the complaint
- ✓ Administrator may dismiss, fine, negotiate, create an advisory committee, or schedule a hearing

12.21 Correction of deficiencies on Division notice (NAC 645.690)

The Division may grant a licensee up to 10 days to correct deficiencies involving advertising, business location, office operation, or a broker's sign. Notice mailed to the licensee must state the deficiencies/violations, recommended action, and correction deadline. Failure to comply is a ground for suspension or revocation. The Division may grant a definite-time extension when correction practicably needs more time.

- ✓ Division may grant up to 10 days to correct advertising, location, office, or sign deficiencies
- ✓ Notice must state the deficiencies, recommended action, and correction deadline
- ✓ Failure to comply is a ground for suspension or revocation

12.22 Administrative fine schedule (NAC 645.695)

The Administrator may impose administrative fines up to set maximums per violation. Examples: NRS 645.252 = $500; NRS 645.310(4)-(6) = $1,000; NRS 645.530 = $100 per license; NRS 645.633(i) (deceitful/fraudulent dealing) = $1,000; NAC 645.650 and 645.655 (recordkeeping/trust accounts) = $1,000; NAC 645.610/620/627/632/637/640/645 = $500 each; NAC 645.855 = $2,000. Fines vary by the specific provision violated.

- ✓ Administrative fines are capped at amounts specified per provision violated
- ✓ Trust account and recordkeeping violations (NAC 645.650, 645.655) carry up to $1,000 fines
- ✓ Deceitful/fraudulent dealing (NRS 645.633(i)) carries up to a $1,000 fine; NAC 645.855 up to $2,000

12.23 Exclusive buyer's brokerage compensation provisions (NAC 645.551)

An exclusive buyer's brokerage agreement may authorize the broker to receive compensation from the seller/lessor or their broker, and may provide that the buyer/tenant is not required to compensate the broker if the property is purchased or leased solely through the buyer's/tenant's own efforts.

- ✓ Agreement may authorize broker to receive compensation from seller/lessor or their broker
- ✓ May provide buyer/tenant is not required to pay if property acquired solely through their own efforts

CHAPTER 13

Regulation of owner-developers and property managers (645.700–645.8xx)

13.1 Property management permit renewal

The Division may renew a PM permit if the holder submits a renewal request with their real estate license renewal application, a $40 renewal fee, and documentation of 9 hours of property management continuing instruction. Renewal is effective on the later of license-renewal submission or fee payment; the permit expires on the same date as the holder's license.

- ✓ Renewal requires a request filed with the license renewal, a $40 renewal fee, and 9 hours of property management instruction
- ✓ A PM permit expires on the same date as the holder's real estate license

13.2 Owner-developer registration requirement

An owner-developer must obtain a separate registration from the Division for each recorded subdivision he or she intends to sell. Registration is required before selling lots/residences in that subdivision.

- ✓ An owner-developer must obtain a registration for EACH recorded subdivision he or she intends to sell (NAC 645.700)
- ✓ Registration is required prior to sale of the subdivision

13.3 Owner-developer registration is not a license

Registration as an owner-developer does not constitute a license. The registrant may not use the term 'licensed' in advertising or oral presentations to prospective purchasers, though 'licensed contractor' is permitted. Inactive status is not available for owner-developers.

- ✓ Owner-developer registration is NOT a licensure; the registrant cannot use the term 'licensed' in advertising or presentations
- ✓ The term 'licensed contractor' is permitted
- ✓ Inactive status is NOT available for owner-developers
- ✓ A copy of the letter of registration must be kept at each sales office

13.4 Owner-developer notice of changes

Every owner-developer must give written notice to the Division within 10 days of any change of name, address, or status affecting the owner-developer or any licensed broker-salesperson/salesperson in their employ, on a Division form with the proper fee, and must notify the Division of the sales office location to be used by their licensees.

- ✓ Written notice of any change of name, address, or status must be given to the Division within 10 days on a Division form with the proper fee
- ✓ Owner-developer must notify the Division of the sales office location used by their broker-salesperson or salesperson

13.5 Annulment and expiration of registration

An owner-developer's registration is annulled when it fails to employ licensed broker-salespersons or salespersons. Registration is effective for 1 year from issuance and renews annually (no limit on renewals) by paying the fee and submitting the form. If not renewed, the licenses of all renewed salespersons in the employ are placed on inactive status. If cancelled/suspended/revoked, the owner-developer must immediately cease activities and deliver all employee licenses to the Division.

- ✓ Registration is effective for 1 year after issuance; renewable annually with no limit on renewals
- ✓ Registration is annulled when the owner-developer fails to employ licensed broker-salespersons or salespersons
- ✓ If the owner-developer fails to renew, licenses of renewed salespersons are immediately placed on inactive status
- ✓ If registration is cancelled, suspended, or revoked, the owner-developer must immediately cease activities and deliver all employee licenses to the Division

13.6 Limitations on owner-developer licensees

A licensee associated with an owner-developer may only sell/lease/rent (or offer/negotiate) the registered development for that owner-developer, and may not engage in any other activity listed in NRS 645.030. A licensee employed by an owner-developer may not simultaneously be associated with a real estate broker, and brokers working for owner-developers must change status to broker-salespersons. Employees may not advertise under their own name (sign/billboard) unless at the employer's office, and the employee's name may not dominate the owner-developer's sign.

- ✓ A licensee of an owner-developer may only handle the registered development and may not engage in any other activity listed in NRS 645.030
- ✓ A licensee employed by an owner-developer may not be associated with a real estate broker at the same time
- ✓ Brokers working for owner-developers must change status to broker-salespersons

✓

Employee advertising under their own name is prohibited unless located at the employer's office, and the employee's name may not dominate the owner-developer's sign

13.7 Required subjects in 24 hours of PM instruction

The 24 classroom hours must include specified subject blocks: 4 hours on contracts/leases/rental applications/FCRA/FDCPA; 3 hours on trust account recordkeeping and Division reporting; 1 hour on computerized bookkeeping; 2 hours on Nevada property management law; 3 hours on required disclosures (including NRS 645.252 and environmental); 5 hours on ADA, Residential Landlord & Tenant Act (ch. 118A), Nevada Fair Housing Law (ch. 118), and sex-discrimination/sexual harassment law; 1 hour on broker duties/supervision; 2 hours on risk management; and 3 hours on commercial property management. Hours in paragraphs (d), (e), and (f) must be completed at an accredited Nevada educational institution.

- ✓ The 24 hours include fixed blocks: 4 (contracts/FCRA/FDCPA), 3 (trust accounts), 1 (bookkeeping), 2 (NV PM law), 3 (disclosures), 5 (ADA/landlord-tenant/fair housing/discrimination), 1 (broker duties), 2 (risk management), 3 (commercial)
- ✓ The disclosure, NV-law, and fair-housing/ADA blocks (paragraphs d, e, f) must be completed at an accredited Nevada educational institution
- ✓ The Division may accept a nationally recognized/accredited course to fulfill paragraphs (a), (b), (c), (g), (h), and (i)

13.8 Additional requirement for designated PM applicant

A person designated to engage in property management on behalf of a partnership, corporation, LLC, or sole proprietor (per NRS 645.6054) must be a broker or broker-salesperson with 2 years of full-time active experience within the 4 years immediately preceding the application.

- ✓ A designated property manager for an entity must be a broker or broker-salesperson
- ✓ The designee must have 2 years of full-time active experience within the 4 years immediately preceding the application

13.9 Termination of designated property manager

If a designated permit holder ceases association with the entity, the entity may not engage in property management unless it designates a replacement within 30 days. The broker must request a bank statement within 5 days of the designee's departure and submit a trust account reconciliation for the preceding 30 days; the reconciliation is due within 15 days of departure or by month's end, whichever is later. The Administrator may grant a written extension for severe hardship beyond the entity's control.

- ✓ A replacement designated property manager must be named within 30 days or the entity must cease property management
- ✓ The broker must request a bank statement within 5 days and submit a 30-day trust account reconciliation within 15 days of departure (or by month's end, whichever is later)
- ✓ The Administrator may grant a written extension only for severe hardship beyond the entity's control

13.10 Application for owner-developer registration

The application must be completed by the owner-developer (or a partner/principal officer if a partnership or corporation), filed with a Division office, and accompanied by fingerprint cards taken by a law enforcement agency or authorized entity. The applicant must provide arrest/conviction history, business history, legal description of the property from a recorded map, sales office locations, financial condition, and bankruptcy history. It must include the applicant's sworn verification, understanding of owner-developer responsibilities, the original nonrefundable fee, and (for partnerships/corporations) certified partnership agreement or articles of incorporation, plus copies of NRS 119.120 notice of exemption, business license, authorization to employ salespersons, and fictitious name certificate.

- ✓ Application must be accompanied by fingerprint cards; if a criminal records search is requested, the application is not complete until the Division receives the information
- ✓ Partnership/corporation applications must be completed by a partner or principal officer and file certified partnership agreement or articles of incorporation
- ✓ The original registration fee is nonrefundable after the owner-developer is registered
- ✓ An application to enlarge the geographical area of an existing registration must use a Division form, provide the same information as an original application, and include the appropriate fee

13.11 Owner-developer records and sales limits

All records of the sale of any single-family residence in a registered owner-developer's subdivision must be kept at the principal place of business, available for Division inspection, with copies sent on request. The owner-developer may not sell any lot unless it contains an unsold single-family residence, or a single-family residence is to be constructed on the lot and is purchased under the same agreement as the land sale.

- ✓ Sale records must be maintained at the principal place of business and available for Division inspection
- ✓ An owner-developer may only sell a lot that contains a previously-unsold single-family residence, or where a residence will be built and purchased under the same agreement as the land

13.12 Disciplinary action against owner-developers

The Commission may fine, revoke, or suspend an owner-developer's registration (or combine fine with revocation/suspension) for violations of NRS chapters 113, 116, 119, 119A, 645, 645C, or 645D or their regulations. If the Administrator believes there has been a substantial change in the owner-developer's financial status since the original application, the Administrator must investigate and, if the owner-developer is found financially incompetent to maintain the business, must bring a complaint for revocation.

- ✓ The Commission may fine and/or revoke/suspend an owner-developer's registration for violations of NRS chapters 113, 116, 119, 119A, 645, 645C, or 645D
- ✓ If a substantial change in financial status is suspected, the Administrator must investigate and bring a revocation complaint if the owner-developer is financially incompetent

CHAPTER 14

Proceedings before the Commission

14.1 Trust Account Reconciliation Submission Requirements

Real estate brokers who maintain trust accounts must submit an annual reconciliation to the Division showing a reconciliation of each trust account. The reconciliation is due by the license expiration date and must cover the calendar month immediately preceding the expiration month. Brokers not required to submit a reconciliation must instead file a declaration form annually informing the Division of this fact.

- ✓ A broker must submit trust account reconciliation to the Division annually by the license expiration date
- ✓ The reconciliation must include the calendar month immediately preceding the month of license expiration
- ✓ A broker not required to reconcile must file a declaration form annually by the license expiration date
- ✓ Violation of the reconciliation or declaration requirement subjects the broker to an administrative fine under NAC 645.695

14.2 Retention of Property Management Trust Account Records

A broker who engages in property management, or who associates with a property manager engaging in property management, must maintain complete accounting records of each property management trust account for at least 5 years after the last activity involving that account. If records are kept by computer, an additional copy must be maintained on computer disc for the same 5-year period.

- ✓ Property management trust account records must be kept at least 5 years after the last activity involving the account
- ✓ If maintained by computer, an additional copy must be kept on computer disc for at least 5 years
- ✓ This applies to brokers who engage in or associate with property managers who engage in property management

14.3 Broker-Salesperson Signing Trust Account Checks

A real estate broker-salesperson who holds a property management permit may sign checks on a trust account without the employing broker's signature, but only if the broker-salesperson has obtained written permission from the broker authorizing it. A rubber stamp signature does not qualify as a valid signature for this purpose.

- ✓ A broker-salesperson must hold a property management permit and have written broker permission to sign trust account checks alone
- ✓ A signature applied by rubber stamp does not constitute a valid signature for this section

14.4 Hearing Procedure and Presiding Officer Duties

At a Commission hearing, the presiding officer must confirm attendance of subpoenaed persons and evidence, administer oaths to the reporter and witnesses, verify the complaint and answer are filed, hear preliminary motions, and direct the Division to present its case. The Division may not submit evidence to the Commission before the hearing except the complaint and answer. Evidence must be marked for identification before being received.

- ✓ The presiding officer administers oaths to the reporter and all testifying witnesses
- ✓ The Division may not submit evidence before the hearing except the complaint and answer
- ✓ Evidence must first be marked for identification and may be received at any point during the proceeding
- ✓ The respondent may cross-examine Division witnesses, and the Division may cross-examine respondent witnesses
- ✓ The Commission may waive any provision of this section to expedite or ensure fairness

14.5 Default and Date of Decision

If a respondent received notice of the hearing but did not file an answer within the time prescribed by NRS 645.685, the respondent's default may be entered and a decision issued based on the complaint's allegations. The date of decision for purposes of NRS 645.760 is the date the written decision is signed by a Commissioner or filed with the Commission, whichever occurs later.

- ✓ A respondent's default may be entered and a decision issued on the complaint if no answer is timely filed after notice
- ✓ The date of decision is the date the written decision is signed or filed, whichever occurs later

14.6 Petition for Rehearing Procedures

A licensee may petition the Commission for a rehearing within 10 days after receiving the decision. The petition must state with particularity the point of law or fact overlooked or misconstrued and contain every supporting argument, and may not exceed 10 pages. Oral argument is not permitted. The petition does not stay the decision unless ordered. Filing a rehearing petition does not stop the 30-day appeal period to district court.

- ✓ A licensee must petition for rehearing within 10 days after receiving the decision
- ✓ A rehearing petition may not exceed 10 pages and oral argument is not permitted
- ✓ Grounds for rehearing include irregularity, accident/surprise, newly discovered evidence, or error in law objected to at the hearing
- ✓ Filing a rehearing petition does not stop the 30-day appeal period to district court

14.7 Respondent's Submission of Documentary Evidence

Not less than 5 working days before a Commission hearing, the respondent must provide the Division a copy of all reasonably available documents anticipated to be used in support of their position, and must promptly supplement them. At the hearing the respondent must provide 10 copies of each document to be admitted. Failure to provide required documents allows the Commission to exclude them.

- ✓ A respondent must provide the Division copies of anticipated documents at least 5 working days before the hearing
- ✓ A respondent must provide 10 copies of each document to be admitted at the time of the hearing
- ✓ The Commission may exclude documents the respondent failed to provide as required

14.8 Continuances of Commission Hearings

A hearing may be continued upon written petition of the licensee or Division for good cause, or by stipulation of the parties. A continuance will not be granted unless made in good faith and not merely for delay. Pre-hearing continuance requests must be served on the Commission, and if the Secretary is unavailable, reviewed by the President or, if unavailable, the Vice President.

- ✓ A continuance requires good cause and must be made in good faith, not merely for delay
- ✓ A pre-hearing continuance request must be served on the Commission and ruled on by the Secretary, President, or Vice President

14.9 Amendment or Withdrawal of Complaint

A complaint may be amended at any time. The Commission will grant a continuance if an amendment materially alters the complaint or the respondent cannot timely prepare. A complaint may be withdrawn at any time before the hearing begins.

- ✓ A complaint may be amended at any time and withdrawn any time before the hearing begins
- ✓ A continuance will be granted if an amendment materially alters the complaint or prevents timely preparation

14.10 Motions Before the Commission

All motions, unless made during a hearing, must be in writing and served on the opposing party and the Commission at least 10 working days before the hearing on the motion. An opposing party may file a written response within 7 working days; a response filed less than 3 working days before the hearing requires Commission permission for good cause. The Commission may require oral argument or additional evidence.

- ✓ Written motions must be served on the opposing party and Commission at least 10 working days before the motion hearing
- ✓ An opposing party may respond within 7 working days; a late response requires Commission permission for good cause

14.11 Rules of Evidence and Informality of Proceedings

The Commission and Division staff are not bound by technical rules of evidence, and informality does not invalidate any order or decision. Court evidence rules are generally followed but may be relaxed to aid fact-finding. All evidence must be material and relevant. The Commission may exclude inadmissible, incompetent, repetitious, or irrelevant evidence. Objections must be briefly stated when evidence is offered.

- ✓ The Commission is not bound by technical rules of evidence and may relax court rules to aid fact-finding
- ✓ All evidence offered must be material and relevant to the issues of the hearing
- ✓ A party objecting must state grounds when the evidence is offered; the Commission may note, sustain, or receive evidence subject to later ruling

CHAPTER 15

Education, Research and Recovery Fund; advisory committee

15.1 Continuing Education Credit for Commission Meeting Attendance

A licensee may earn continuing education credit for attending a meeting of the Real Estate Commission under NAC 645.467. The credit is capped and subject to specific conditions relating to the type of meeting, duration, and certification of attendance. Partial attendance may earn partial credit at the Division's discretion.

- ✓ Credit for attending a Commission meeting may not exceed 6 hours during a licensing period
- ✓ The meeting must not be a hearing in which the licensee is participating as a result of disciplinary action
- ✓ The meeting must last at least 3 hours to qualify
- ✓ The Division, on behalf of the Commission, must certify the licensee's attendance
- ✓ For partial attendance, the Division may determine how many hours of credit, if any, the licensee receives

15.2 Examination of Judgment Debtor Before Fund Petition

When a person files a petition against the Real Estate Education, Research and Recovery Fund, the Administrator must ensure reasonable searches were made to find the judgment debtor's assets. The Administrator asks the court to require the petitioner to show they examined the judgment debtor under NRS 21.270 to 21.340, subject to exceptions.

- ✓ The petitioner must show they conducted an examination of the judgment debtor under NRS 21.270 to 21.340
- ✓ The examination requirement is waived if the judgment debtor cannot be found within the jurisdiction with due diligence
- ✓ The requirement is waived if the judgment debtor has filed a petition in bankruptcy
- ✓ The requirement is waived if there is good cause for not requiring the examination

15.3 Meaning of Unpaid Actual Damages

For Recovery Fund claims, the Administrator interprets 'unpaid actual damages' under NRS 645.844 narrowly. Certain costs associated with the judgment are excluded from what the Fund will pay.

- ✓ 'Unpaid actual damages' excludes attorney's fees
- ✓ 'Unpaid actual damages' excludes prejudgment interest
- ✓ 'Unpaid actual damages' excludes court costs related to the judgment

15.4 Compromise of Claim Against the Fund

The Administrator may compromise a claim against the Recovery Fund under NRS 645.845 through a stipulation and joint petition with the court. Before filing, the Administrator must give the petitioner specific written warnings about representation and legal counsel.

- ✓ The Administrator must advise the petitioner in writing that the Division does not represent the petitioner's interests
- ✓ The Administrator must advise the petitioner in writing to seek independent legal counsel regarding the compromise
- ✓ The Administrator must compromise any claim and defend any Fund action where a settlement has been agreed upon or paid to the petitioner, including third-party settlements

15.5 Advisory Committee Establishment and Membership

The Commission or the Administrator may establish advisory committees to assist with matters, evaluate educational courses, or review investigations. Members must meet Commission qualifications and serve without compensation but receive per diem and travel expenses.

- ✓ The Commission may establish an advisory committee for matters it deems appropriate; the Administrator may establish one to evaluate educational courses or review investigations
- ✓ Committee members must meet the qualifications for Commission appointment under subsection 3 of NRS 645.090
- ✓ The Administrator appoints three persons, at least one being a current or former Commission member, who also serves as chair
- ✓ Members serve at the pleasure of the Division without compensation but receive per diem allowance and travel expenses
- ✓ Members must abstain from any proceeding in which they would be prohibited from participating as Commission members

15.6 Advisory Committee Review of Investigations

An advisory committee assisting the Administrator reviews investigation reports for probable cause, holds informal conferences, and works with the licensee to recommend a resolution. Depending on acceptance, discipline may be imposed by written agreement or a hearing may be scheduled.

- ✓ The committee reviews the investigator's report to determine probable cause of a violation of chapters 113, 116, 119, 119A, 119B, 645, 645C or 645D of NRS or their regulations
- ✓ If both the Administrator and licensee accept the recommendation, a written agreement is entered and discipline authorized by NRS 645.630 may be imposed
- ✓ If either party rejects the recommendation, the Administrator schedules a hearing under NAC 645.810 or negotiates a resolution contingent on Commission approval
- ✓ The Administrator must file a written summary of facts and disciplinary actions with the Commission when discipline is taken

15.7 Annual Budget of the Recovery Fund

Before the first meeting of each fiscal year, the Commission prepares a budget for yearly allocation of expenditures from the Real Estate Education, Research and Recovery Fund. The Fund money supports research, education courses, and education initiatives.

- ✓ A budget must be prepared before the first meeting of each fiscal year
- ✓ The Fund allocates money for research, education courses, and education initiatives

15.8 Informal Conference Procedures Before Advisory Committee

When an advisory committee reviews an investigation, the Administrator schedules an informal conference and provides written notice to the relevant parties. The committee may request attendance of persons with relevant information.

- ✓ The Administrator must provide written notice of the conference time and place to each committee member, the licensee under investigation, and each requested witness
- ✓ The advisory committee may request attendance of any person believed to have information relevant to the matter

CHAPTER 16

Permit to engage in business as business broker

16.1 Attendance of brokers at disciplinary hearing

When a licensed real estate salesperson or broker-salesperson is accused of violating chapter 645 of NRS or its regulations, certain brokers must attend the disciplinary hearing before the Commission. This ensures supervising brokers are accountable for their associated licensees.

- ✓ The broker of record with whom the licensee was associated at the time of the alleged violation must attend the disciplinary hearing
- ✓ The broker with whom the licensee is currently associated must also attend the disciplinary hearing before the Commission

16.2 Failure of party to appear at hearing

If a party fails to appear at a Commission hearing without a requested or granted continuance, the Commission may proceed without them if proper notice was given, and may resolve the matter on the evidence before it.

- ✓ Upon offer of proof by the Division and Commission determination that proper notice was given, the Commission may proceed without the absent party
- ✓ If the respondent fails to appear or reply to the notice, the charges in the complaint may be considered as true

16.3 Business broker permit definitions

For the business broker permit provisions (NAC 645.901 to 645.919), key terms are defined. An 'Applicant' is a licensee applying for a permit; 'License' means a license as a real estate broker, broker-salesperson, or salesperson; 'Permit' means a permit to engage in business as a business broker; and 'Business broker' has the meaning in NRS 645.0075.

- ✓ 'Applicant' means a licensee who is applying for a permit
- ✓ 'Permit' means a permit to engage in business as a business broker, and 'License' means a real estate broker, broker-salesperson, or salesperson license

16.4 Interpretation of engaging as business broker

The Commission interprets 'engage in business as a business broker' to include selling, exchanging, optioning, purchasing, negotiating, listing, or soliciting purchasers of any business, its assets, or ownership interests reported to the IRS. It excludes transactions involving real property and a related business where more than 50% of gross income derives from use of the real property.

- ✓ Includes dealing in any business for which income/expenses were reported to the IRS on Form 1040, 1065, 1120, or 1120S, unless 50% or more of gross reported income (excluding net capital gain) was from real estate rental on Form 8825
- ✓ Excludes real property with a related business if more than 50% of the related business's gross income is directly derived from use of the real property (e.g., storage facilities, hotels, motels, ranches)

16.5 Required 24 hours of business brokerage instruction

The 24 hours of classroom instruction required for a business broker permit is divided into specific subject-hour breakdowns covering financial statements, valuation, purchase/sale considerations, and professional practices.

- ✓ Must include 8 hours on financial statements, 6 hours on business valuation, 6 hours on purchase offer and sale considerations, and 4 hours on business brokerage and professional practices
- ✓ The Division may accept a course from a nationally recognized or accredited organization if its completion qualifies the applicant to engage in business brokerage

16.6 Business broker permit expiration and renewal

A business broker permit is tied to the holder's real estate license. It expires with the license and is renewed alongside license renewal with a fee and continuing education documentation.

- ✓ A permit expires on the same date as the license of the permit holder
- ✓ Renewal requires a request submitted with the license renewal application, a $40 renewal fee, and documentation of completed continuing education under NRS 645.863

16.7 Voluntary surrender of license in lieu of discipline

The Commission has discretion to accept a licensee's voluntary surrender of credentials instead of pursuing other disciplinary action.

- ✓ The Commission may accept voluntary surrender of a license, permit, registration, or certificate
- ✓ Voluntary surrender may be accepted in lieu of imposing any other disciplinary action under chapter 645 of NRS

16.8 Reporting of disciplinary action or denial

The Commission may report disciplinary actions against licensees or denials of applications to various external and internal agencies.

- ✓ Reports may go to any national repository recording disciplinary actions against licensees
- ✓ Reports may go to any agency of another state that regulates real estate practice and to any other Nevada agency or board

16.9 Effective date of permit renewal

The renewal of a business broker permit takes effect based on the later of two triggering events tied to the license renewal.

- ✓ Renewal is effective on the date the applicant submits the license renewal application OR pays the renewal fees for both the license and permit, whichever occurs later
- ✓ Renewal is tied to and coordinated with the underlying real estate license renewal

16.10 Approval of business brokerage courses

Courses fulfilling the educational requirements for a business broker permit must be approved, and educational institutions must apply through established Division procedures.

- ✓ A business brokerage course must be approved by the Division, on behalf of the Commission, for an applicant to receive credit toward permit issuance or renewal
- ✓ An educational institution must apply for approval to offer such courses under the procedures in NAC 645.400 to 645.467

CHAPTER 17

Supplement: Property Condition Disclosure

17.1 Seller's Real Property Disclosure Form (NRS 113.100-113.150)

A seller of residential property (1-4 units) must complete the Seller's Real Property Disclosure Form prescribed by the Real Estate Division and deliver it to the buyer at least 10 days before conveyance, disclosing all defects of which the seller is aware (NRS 113.130). If the seller learns of a new defect or a disclosed defect changes before closing, an amended disclosure must be given as soon as practicable; the buyer then has 4 working days after receiving the amended disclosure to rescind unless the seller agrees in writing to cure. If the form is never delivered, the buyer may rescind at any time before conveyance without penalty. A buyer who was not told of a known defect may recover treble damages, attorney fees and costs (NRS 113.150); suit must be filed within 1 year after discovery or 2 years after conveyance or occupancy, whichever is later. The buyer may waive the disclosure only by a signed and notarized written waiver; transfers by court order, foreclosure or trustee's sale, and between co-owners or spouses are exempt from the form requirement. Source: Nev. Rev. Stat. § § 113.100-113.150

- ✓ Disclosure form must be delivered at least 10 days before conveyance of residential property
- ✓ Buyer may rescind within 4 working days after receiving an amended disclosure of a new or changed defect
- ✓ If no form is delivered, buyer may rescind at any time before the conveyance
- ✓ Failure to disclose a known defect: treble damages plus attorney fees; 1 year from discovery or 2 years from conveyance/occupancy
- ✓ Waiver by buyer is valid only if written, signed and notarized

CHAPTER 18

Supplement: Condominium/HOA

18.1 Common-Interest Community Resale Package and HOA Liens (NRS 116)

Before a unit in a common-interest community is resold, the seller must furnish the buyer a resale package from the association containing the declaration, bylaws, rules, a statement of current assessments and unpaid amounts, the current budget, reserve study summary and the Division's information statement (NRS 116.4109). The buyer may cancel the purchase agreement by written notice within 5 calendar days after receiving the resale package, or before closing if sooner; the fee the association may charge for the package is capped by Commission regulation (verify current amount). A developer selling a new unit must deliver a public offering statement and the buyer likewise has 5 calendar days to cancel (NRS 116.4103, 116.4108). Association assessments are a lien on the unit, and up to 9 months of regular assessments have priority over a first deed of trust (NRS 116.3116). Community managers must hold a certificate under NRS 116A, and disputes go to the Ombudsman and the Commission for Common-Interest Communities. Source: Nev. Rev. Stat. § § 116.3116, 116.4103-116.4109

- ✓ Seller must provide the HOA resale package before resale of a unit
- ✓ Buyer may cancel within 5 calendar days after receipt of the resale package or public offering statement
- ✓ HOA lien super-priority covers up to 9 months of regular assessments ahead of the first mortgage
- ✓ Community managers require a certificate under NRS 116A
- ✓ Purchaser must receive the Division's information statement on buying in an HOA

CHAPTER 19

Supplement: Landlord-Tenant

19.1 Residential Landlord-Tenant Act: Deposits, Entry, Rent Increases (NRS 118A)

Under NRS 118A.242 a landlord may not require a security deposit (including any nonrefundable cleaning fee) exceeding 3 months' rent, and must return the deposit with an itemized statement of deductions within 30 days after the tenancy ends; a tenant may substitute a surety bond. The landlord must give at least 24 hours notice before entering the unit except in an emergency (NRS 118A.330). Rent for a periodic tenancy of one month or longer may be increased only on at least 60 days written notice (NRS 118A.300); late fees may not exceed 5 percent of the periodic rent (NRS 118A.210). The landlord must maintain the premises in habitable condition (NRS 118A.290) and give the tenant a signed copy of the written rental agreement and required disclosures (NRS 118A.200). Nevada has no rent control statute. Source: Nev. Rev. Stat. ch. 118A

- ✓ Security deposit maximum is 3 months' rent
- ✓ Deposit and itemized statement must be returned within 30 days after termination of tenancy
- ✓ Landlord entry requires 24 hours notice absent emergency
- ✓ Rent increase on monthly or longer tenancy requires 60 days written notice
- ✓ Late fees capped at 5 percent of periodic rent

19.2 Summary Eviction and Tenancy Termination Notices (NRS 40.251-40.2516)

A periodic tenancy is terminated by written notice: 30 days for a month-to-month tenancy and 7 days for a week-to-week tenancy (NRS 40.251); a tenant aged 60 or older or with a disability may request an additional 30 days. For nonpayment of rent the landlord serves a pay-or-quit notice giving the tenant 7 judicial days (NRS 40.2512, as amended in 2019). Other breaches require a 5-day notice to cure or quit (NRS 40.2516) and a nuisance or unlawful activity requires a 3-day notice (NRS 40.2514). Summary eviction is obtained through the justice court; self-help eviction, utility shutoff or lockout by the landlord is prohibited (NRS 118A.390) and the tenant may recover damages. Source: Nev. Rev. Stat. §§ 40.251-40.2516, 118A.390

- ✓ Month-to-month tenancy termination requires 30 days notice; week-to-week requires 7 days
- ✓ Nonpayment of rent: pay-or-quit notice of 7 judicial days
- ✓ Lease violation: 5-day notice to cure or quit; nuisance: 3-day notice
- ✓ Self-help evictions and lockouts are illegal; eviction is through justice court
- ✓ Tenants 60 or older or disabled may request an extra 30 days on a no-cause notice

CHAPTER 20

Supplement: Transfer Tax and Recording

20.1 Real Property Transfer Tax and Declaration of Value (NRS 375)

Nevada imposes a real property transfer tax on each deed when the value exceeds $100, computed at $1.95 per $500 of value or fraction thereof statewide (NRS 375.020, 375.023); counties with larger populations add local increments, so the combined rate is $2.55 per $500 in Clark County and $2.05 per $500 in Washoe County. Buyer and seller are jointly and severally liable, though by custom the seller usually pays. A Declaration of Value must be filed with the county recorder when the deed is recorded (NRS 375.060). Exempt transfers under NRS 375.090 include transfers between spouses or persons related in the first degree of consanguinity, transfers to or from a government entity, a mere change in identity or form of ownership, transfers to a trust without consideration, transfers pursuant to divorce, and deeds given in foreclosure or in lieu of foreclosure. Nevada has no state income tax and therefore no state withholding on sales by nonresidents. Source: Nev. Rev. Stat. § § 375.020, 375.023, 375.060, 375.090

- ✓ Base rate $1.95 per $500 of value (or fraction) when value exceeds $100
- ✓ Clark County total rate $2.55 per $500; Washoe $2.05 per $500
- ✓ Declaration of Value must accompany the deed for recording
- ✓ Exempt: spouses, first-degree relatives, government, trusts without consideration, divorce, foreclosure and deed in lieu
- ✓ No Nevada income tax, so no nonresident seller withholding

CHAPTER 21

Supplement: Fair Housing Additions

21.1 Nevada Fair Housing Law Protected Classes (NRS 118.010-118.120)

Nevada's fair housing statute prohibits discrimination in the sale, rental, financing or advertising of housing on the basis of race, religious creed, color, national origin, disability, ancestry, familial status, sex, sexual orientation, and gender identity or expression (NRS 118.020, 118.100). Sexual orientation and gender identity or expression are state additions beyond the federal Fair Housing Act. Complaints are filed with the Nevada Equal Rights Commission (NRS 233), which may investigate and order relief; a licensee found to have discriminated is also subject to discipline under NRS 645. Exemptions for certain owner-occupied and religious housing parallel federal law but do not permit discriminatory advertising. Source: Nev. Rev. Stat. § § 118.020, 118.100; NRS 233

- ✓ State-added protected classes: sexual orientation and gender identity or expression
- ✓ Also protected: race, religious creed, color, national origin, disability, ancestry, familial status, sex
- ✓ Enforced by the Nevada Equal Rights Commission
- ✓ Discriminatory advertising is prohibited even where an ownership exemption applies

CHAPTER 22

Supplement: Other State Disclosures

22.1 Stigmatized Property, Sex Offenders and Meth Labs (NRS 40.770)

NRS 40.770 provides that a seller, landlord or licensee is not liable for failing to disclose that the property was the site of a homicide, suicide or death by any cause other than a condition of the property, that it was the site of a felony other than the manufacture of methamphetamine, or that an occupant had HIV or another disease not transmitted through occupancy. The statute likewise provides no liability for failing to disclose that a registered sex offender lives or is expected to live in the community; buyers are directed to the public registry. A property previously used to manufacture methamphetamine must be disclosed unless it has been remediated and certified under NRS 40.770 and the health authority standards. A licensee must still answer truthfully if directly asked and may not affirmatively misrepresent such facts. Source: Nev. Rev. Stat. § 40.770

- ✓ No duty to disclose homicide, suicide or non-property-related death on the premises
- ✓ No duty to disclose HIV or non-transmissible disease of a prior occupant
- ✓ No liability for not disclosing nearby registered sex offenders
- ✓ Prior methamphetamine manufacture must be disclosed unless properly remediated

22.2 Other Nevada Statutory Disclosures: Open Range, Gaming District, New Construction, Water and Sewer (NRS 113)

Beyond the property condition form, NRS 113 imposes several Nevada-specific written disclosures. A seller of property adjacent to open range must disclose that livestock may graze and that the buyer bears fencing responsibility (open range disclosure, NRS 113.065). In counties with gaming enterprise districts (Clark County), a seller of residential property within 2,500 feet of such a district must disclose that fact (NRS 113.080). Sellers of newly constructed residences must provide information on zoning, master plans and nearby land uses, soil reports where applicable, and the constructional defect claim process under NRS 40.600-40.695 (NRS 113.135). A seller must also disclose whether the property is connected to public water and sewer or served by a well and septic system (NRS 113.060; verify subsection). Source: Nev. Rev. Stat. § § 113.060-113.135

- ✓ Open range disclosure required for property adjacent to open range
- ✓ Gaming enterprise district disclosure required within 2,500 feet in Clark County
- ✓ New construction: seller must give zoning, master plan, soil and constructional defect information
- ✓ Water and sewer connection or well and septic status must be disclosed

CHAPTER 23

Supplement: Property Tax

23.1 Homestead Exemption and Property Tax Basics (NRS 115, NRS 361)

A homeowner who records a Declaration of Homestead protects up to $605,000 of equity in the primary residence from general creditors (NRS 115.010); the exemption does not defeat mortgages or deeds of trust, mechanics liens, property taxes or HOA assessments. Property is assessed at 35 percent of taxable value (NRS 361.225), and the total tax rate may not exceed $3.64 per $100 of assessed value by statute within a $5 constitutional cap. Annual tax increases are abated so that an owner-occupied primary residence rises no more than 3 percent per year and other property no more than 8 percent (NRS 361.4722-361.4724). The fiscal year runs July 1 to June 30 and taxes may be paid in four installments; unpaid taxes become a lien with priority over other liens. Source: Nev. Rev. Stat. § § 115.010, 361.225, 361.453, 361.4722-361.4724

- ✓ Homestead exemption protects up to $605,000 of equity after recording a declaration
- ✓ Homestead does not protect against mortgages, mechanics liens, taxes or HOA assessments
- ✓ Assessment ratio is 35 percent of taxable value
- ✓ Statutory tax cap $3.64 per $100 assessed value; constitutional cap $5
- ✓ Annual tax increase capped at 3 percent for owner-occupied primary residences, 8 percent for other property

CHAPTER 24

Supplement: Foreclosure

24.1 Deed of Trust Foreclosure, Redemption and Deficiency (NRS 107, NRS 40.455)

Nevada lenders almost always use deeds of trust foreclosed nonjudicially by the trustee under NRS 107.080. The trustee records a notice of default and election to sell; the borrower may cure by paying arrears for 35 days after the notice is recorded and mailed, and the sale cannot occur until at least 3 months after recording, followed by a notice of sale posted and published for 3 weeks with at least 20 days notice before sale. There is no statutory right of redemption after a trustee's sale, but a judicial foreclosure allows a 1-year redemption period (NRS 21.210). Owner-occupied residences are eligible for the Foreclosure Mediation Program (NRS 107.086). A lender must sue for a deficiency within 6 months after the sale (NRS 40.455), and deficiency judgments are barred on purchase-money loans from financial institutions on owner-occupied single-family homes made after October 1, 2009 (verify details). Source: Nev. Rev. Stat. § § 107.080, 107.086, 21.210, 40.455

- ✓ Nonjudicial foreclosure: 35-day cure period after notice of default; sale no sooner than 3 months after recording
- ✓ Notice of sale posted and published 3 weeks, at least 20 days before sale
- ✓ No redemption after trustee's sale; 1-year redemption after judicial foreclosure
- ✓ Deficiency action must be filed within 6 months after the sale
- ✓ Foreclosure Mediation Program available for owner-occupied homes

CHAPTER 25

Supplement: Closing Practice

25.1 Escrow Closings and Licensed Escrow Agents (NRS 645A)

Nevada is an escrow state: closings are conducted by neutral escrow or title companies rather than attorneys, and no attorney is required at closing. Escrow agents and agencies must be licensed by the Financial Institutions Division under NRS 645A, must keep escrowed funds in trust accounts separate from company funds, and act only on written instructions signed by the parties. Title insurance is customary and title is usually conveyed by grant, bargain and sale deed; a Declaration of Value accompanies the deed at recording. Customary allocation of costs varies by region (in southern Nevada the seller commonly pays the transfer tax and owner's title policy while the buyer pays lender's policy and loan costs; verify local custom), but all allocations are negotiable. Earnest money received by a licensee is typically deposited with the escrow holder as required by NRS 645. Source: Nev. Rev. Stat. ch. 645A

- ✓ Nevada closings are handled by escrow or title companies; attorneys are not required
- ✓ Escrow agents are licensed by the Financial Institutions Division under NRS 645A
- ✓ Escrow holder acts only on written instructions from the parties and holds funds in trust
- ✓ Cost allocations are customary, not mandated, and are negotiable

CHAPTER 26

Supplement: Subdivision/Timeshare Registration

26.1 Timeshares and Subdivided Land Sales (NRS 119, 119A)

Subdivided land offered for sale in Nevada must be registered with the Real Estate Division and the developer must give each purchaser the Division-approved property report (public offering statement) before the contract is signed; a contract signed without the report is voidable by the purchaser (NRS 119). Timeshare projects must be registered under NRS 119A, sales must be made through a licensed real estate broker or a registered timeshare sales agent, and the purchaser may cancel the contract by written notice until midnight of the fifth calendar day after signing (NRS 119A.410). A public offering statement must be delivered to each timeshare purchaser, and the developer must hold deposits in escrow or provide a bond. Source: Nev. Rev. Stat. ch. 119; ch. 119A

- ✓ Subdivided land must be registered and the property report delivered before signing
- ✓ Timeshare purchasers have a 5-calendar-day right to cancel after signing
- ✓ Timeshares are sold only by licensed brokers or registered timeshare sales agents
- ✓ Timeshare projects must be registered with the Real Estate Division