



ARIZONA COMMERCIAL MORTGAGE BANKER AMENDMENT CHECKLISTS

INSTRUCTIONS

1. You can only make amendments to your license if your license status is in an “APPROVED” or “APPROVED – DEFICIENT” or “APPROVED – INACTIVE” status. Please contact AzDFI Licensing Division with any questions.
2. **AMENDMENTS:** All amendments must be reported to AzDFI in a timely manner, penalties may be assessed for not complying.
3. **NOTE:** If the company structure changes (for example: your Tax Identification Number changes and/or you change from a Sole Proprietor to an LLC or to a Corporation, etc.), a new MU1 and a new license application must be completed. The current company would need to be closed/terminated on NMLS and your license would need to be surrendered.
4. **UPDATE MU1 AND/OR MU2:** Each amendment included on this Amendment Checklists form requires you to also update your MU1 and/or MU2. ***IMPORTANT NOTE: CHANGES IN CONTROL MUST HAVE PRIOR APPROVAL FROM AZDFI BEFORE THE CHANGE CAN BE COMPLETED.***
5. [Branch Manager Amendment Checklist](#) – Click to go to checklist.
6. [Duplicate License Request Checklist](#) – Click to go to checklist.
7. [Name Amendment Checklist](#) – Click to go to checklist.
8. [Address Amendment Checklist](#) – Click to go to checklist.
9. [Responsible Individual \(“RI”\) Amendment Checklist](#) – Click to go to checklist.
10. [Officer, Director and/or Member Amendment Checklist](#) – Click to go to checklist.
11. [Ownership/Control Amendment Checklist](#) – Click to go to checklist.
12. [Change the License Status from Inactive to Active](#) – Click to go to checklist.
13. All fees that are collected through NMLS ARE NOT REFUNDABLE.
14. AzDFI will review the Amendment request and all required documents and then communicate with the licensee through NMLS if there are any deficiencies.
15. A new license will only be issued when there is a change in the address, change in the licensee’s name or change in the Responsible Individual. **NOTE:** A change in the Responsible Individual will only require the issuance of a new main license. An address change will only require the issuance of a new license for the licensed location affected by the new address. A new license will be issued for all licensed locations when there is a change to the name of the licensed entity.
16. Jurisdiction-specific requirements, as identified on the checklist(s) below, must be uploaded in to NMLS or emailed to AzDFI within 5 business days of the electronic submission of your Amendment request through the NMLS.

You may submit documents to AzDFI electronically using AzDFI's encrypted message service.

[AzDFI Encrypted Message Service Instructions](#)
[AzDFI Encrypted Message Service](#)

WHO TO CONTACT – For questions regarding Arizona requirements and/or guidelines, contact the licensing Division of the Arizona Department of Financial Institutions (“AzDFI”) by phone at (602) 771-2800 or send your questions via e-mail to licensing@azdfi.gov. For questions on how to navigate through the NMLS or how to check your license status on NMLS or how to find deficiencies on your Amendment request on NMLS, you will need to contact the NMLS Call Center at (240) 386-4444.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF ARIZONA STATE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING/AMENDING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE YOUR APPLICATION/AMENDMENT THROUGH NMLS. AzDFI HAS A LINK TO THE ARIZONA STATUTES AND RULES ON ITS WEBSITE AT www.azdfi.gov. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

BRANCH MANAGER AMENDMENT CHECKLIST

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|---|-------------------|--|
| <p><u>INFORMATION on CHANGING A BRANCH MANAGER</u></p> | | <p>Requirements for a Person Intended to Oversee a Branch Office: A person designated to oversee the operations of a branch office shall be knowledgeable about the branch activities of the licensee, supervise compliance by the branch with applicable law and rules, and have sufficient authority to ensure such compliance. One person may oversee more than one branch.</p> |

DUPLICATE LICENSE REQUEST CHECKLIST

NMLS Entity ID #: _____

AZ Main License #: _____

Entity Full Legal Name: _____

AZ License Name (including any DBA): _____

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|--|----------------|--|
| | | <p><u>INFORMATION on REQUESTING A DUPLICATE LICENSE</u></p> <p>Beginning October 1, 2010, AzDFI began to issue licenses electronically. Therefore, you will no longer be issued a paper license from AzDFI for any licensed location. Each licensee is still responsible to print and prominently post the license for each licensed location.</p> |
| | | <p>Arizona Revised Statutes Section 6-126(A)(26) states "The following nonrefundable fees are payable to the department with the filing of the following applications: To issue a duplicate or replace a lost enterprise's license, one hundred dollars."</p> |
| <input type="checkbox"/> | | <p>List the Arizona license number and/or Arizona branch license number(s) that you are requesting a duplicate license be issued: _____</p> <p>_____</p> <p>_____</p> |
| <p>The duplicate license will be emailed to the primary email address on record with AzDFI.</p> | | |
| N/A | | <p>Submit this checklist to AzDFI via email. You will be invoiced through NMLS for the \$100.00 fee.</p> <p>You may submit documents to AzDFI electronically using AzDFI's encrypted message service.</p> <p><u>AzDFI Encrypted Message Service Instructions</u></p> <p><u>AzDFI Encrypted Message Service</u></p> |
| <p>INDIVIDUAL TO CONTACT REGARDING THIS AMENDMENT REQUEST</p> | | <p>Name: _____ Title: _____</p> <p>Phone number & extension: _____</p> <p>Email: _____</p> |
| <p>AUTHORIZED SIGNOR</p> | | <p>_____</p> <p>Signature Print Name & Title</p> |

NAME AMENDMENT CHECKLIST

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|--|--------------------------|--|
| <u>INFORMATION on REQUESTING A NAME AMENDMENT</u> | | <p>If the company structure changes (for example: your Tax Identification Number changes and/or you change from a Sole Proprietor to an LLC or to a Corporation, etc.), a new MU1 and a new license application must be completed. The current licensed company would need to be closed/terminated on NMLS and your license would need to be surrendered.</p> <p>NOTE: You may not transact business in Arizona under the amended name until AzDFI has approved and issued a license in the amended name.</p> |
| N/A | <input type="checkbox"/> | <p>BOND: You will need to upload into NMLS or email to AzDFI a new bond with the new name or a bond rider reflecting the amended name. Arizona Surety Bond Form</p> |
| N/A | <input type="checkbox"/> | <p>CORPORATION: If the entity is a Corporation; then you will need to upload into NMLS or email to AzDFI a copy of the approved amended articles of incorporation.</p> |
| N/A | <input type="checkbox"/> | <p>FOREIGN CORPORATION: If the entity is a foreign corporation; then you will need to upload into NMLS or email to AzDFI a copy of the approved Arizona foreign authorization.</p> |
| N/A | <input type="checkbox"/> | <p>DBA: If amending a DBA or Trade Name, then you will need to upload into NMLS or email to AzDFI a copy of the Trade Name certificate from the Arizona Secretary of State with the amended DBA or Trade Name.</p> |
| N/A | <input type="checkbox"/> | <p>NAME AMENDMENT FEE: \$250.00 for each licensed location that is amending its address. This fee will be collected through NMLS, either when the change is submitted or invoiced separately after the change is submitted.</p> |
| <p>You may submit documents to AzDFI electronically using AzDFI's encrypted message service.</p> <p>AzDFI Encrypted Message Service Instructions AzDFI Encrypted Message Service</p> | | |

ADDRESS AMENDMENT CHECKLIST

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|--|--------------------------|---|
| <u>INFORMATION on REQUESTING AN ADDRESS AMENDMENT</u> | | <p>Arizona Administrative Code R20-4-1906: If a licensee changes the licensee's principal place of business, or the location of a branch office, the licensee shall notify the Superintendent within five business days after the address change. With the notice, a licensee shall provide the Superintendent with the license for the office changing its address and the fee required by A.R.S. § 6-126 for changing an office address. A copy of the license shall continue to be displayed at the place of business until a new license is issued.</p> |
| INSTRUCTIONS | | You will need to update/amend the address in NMLS for the branch that you are changing. |
| N/A | <input type="checkbox"/> | <p>COMMERCIAL LOCATION: If the location is a commercial office location, then email to AzDFI a copy of the lease agreement. If there is a sublease, then include a copy of both the sublease agreement and the original lease agreement with this amendment checklist.</p> |
| N/A | | <p>ADDRESS AMENDMENT FEE: \$50.00 for each licensed location that is amending its address. This fee will be collected through NMLS, either when the change is submitted or invoiced separately after the change is submitted.</p> |

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Arizona Revised Statutes Section 6-978 states, in pertinent part, that a license is “**not transferable or assignable**”.

Engaging in any of the activities listed below, commonly referred to as “net branching,” can result in AzDFI taking regulatory enforcement action up to and including license revocation and the imposition of a civil money penalty of not more than **five thousand dollars (\$5,000.00)** for each violation for each day. THIS IS NOT AN EXHAUSTIVE LIST.

- **DON'T** transfer or assign your mortgage broker or banker license to “branch managers” or “owners.”
- **DON'T** require branch managers to pay for branch start up costs, including, but not limited to, the cost of branch office licenses, bank account deposits, background checks, accounting fees, HUD license fees, security deposits, training, payroll fees, and loan software fees.
- **DON'T** require branch managers to sign agreements to pay monthly fees for using your license.
- **DON'T** fail to assume responsibility and liability for branch office leases that are rightfully your responsibility. You or your designated officers should sign rent and equipment leases, not branch managers.
- **DON'T** fail to assume the responsibility and liability for branch office equipment leases that are rightfully your responsibility. Branch managers should not sign these leases.
- **DON'T** fail to assume the responsibility and liability for utilities, office supplies and equipment, appraisals, alarm equipment, and any other bills incurred by branches. Bills, utilities, and invoices should be in licensee's name.
- **DON'T** inform the Better Business Bureau that your branches are independent.

- **DON'T** fail to account for all branch income and expenses on tax returns and on financial statements.
- **DON'T** fail to maintain physical access to your branches at all times.
- **DON'T** fail to maintain control over the payment of your branch expenses.
- **DON'T** fail to maintain a uniform settlement service fee structure among all of your branch offices. Borrowers should be able to pay the same fees at any office. You should not allow branch managers to set their own fee structure.
- **DON'T** pay W-2 income to companies owned by branch managers in an attempt to evade taxes.
- **DON'T** fail to employ practices and procedures consistent with all HUD guidelines.
- **DON'T** fail to maintain control over branch bank accounts or allow branch managers to write payroll checks and reimburse themselves for expenses.

For more information, please access www.hudclips.org and click on "Access HUD Letters and Notices from past years" to read, among other things, Mortgagee Letter 00-15, which addresses "Prohibited Branch Arrangements."

RESPONSIBLE INDIVIDUAL (RI) AMENDMENT CHECKLIST

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|---|--------------------------|---|
| <u>PURSUANT TO ARIZONA STATUTE, FAILURE TO COMPLY WITH ARIZONA RI REQUIREMENTS SHALL RESULT IN THE EXPIRATION OF YOUR LICENSE.</u> | | |
| <u>INFORMATION on REQUESTING AN RI AMENDMENT</u> | | <p>A licensee shall notify AzDFI that its RI will cease to be in active management of the activities of the licensee within ten days of learning that fact. The licensee shall have 90 days to replace the RI with a qualified person AND notify AzDFI of the qualified replacement. THE NEW RI MUST MEET ALL ARIZONA REQUIREMENTS TO BE A QUALIFIED REPLACEMENT. The license will expire if the licensee fails to replace AND notify AzDFI of a qualified replacement within 90 days of the date AzDFI received notification that the RI will no longer be in active management.</p> <p>Licensee should review new qualified RI MU2 employment to be knowledgeable about any other mortgage entities the new RI may be concurrently employed with. An RI may be an RI for more than one licensee.</p> <p>A change in the RI must be reported on the Form MU1. The RI will be listed in NMLS as the Qualified Individual for Arizona.</p> |
| N/A | | <p>EMPLOYMENT/EXPERIENCE VERIFICATION: Upload into NMLS or email to AzDI letters from current and/or past employers verifying job experience and period of time of employment. Employment verifications must be on the employer's letterhead. Verification must provide job description and must include dates of employment (MM/DD/YYYY).</p> <p>Upload in NMLS under the Document Type <u>Verification of Experience</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p> <p>Note: W2's, resumes, personal references or education is not proof of job experience.</p> <p>This document should be named <i>[Document Type] – License Name</i>.</p> |
| <u>NOTE:</u> | | <p>BACKGROUND INVESTIGATION: A licensee shall not employ any person unless the licensee conducts a reasonable investigation of the background, honesty, truthfulness, integrity and competency of the employee before hiring.</p> <p>"Reasonable investigation of the background," as that term is used in A.R.S. §§ 6-903, 6-943, or 6-976 means a licensee, at a minimum:</p> <ul style="list-style-type: none"> Collects and reviews all the documents authorized by the Immigration Reform and Control Act of 1986, 8 U.S.C. 1324a; Obtains a completed Employment Eligibility Verification (Form I-9); Obtains a completed and signed employment application; Obtains a signed statement attesting to all of an applicant's felony convictions, including detailed information regarding each conviction; Consults with the applicant's most recent or next most recent employer, if any; Inquiries regarding the applicant's qualifications and competence for the position; If for a loan officer, loan originator, loan processor, branch manager, supervisor, or similar position, obtains a current credit report from a credit reporting agency; and Investigates further if any information received in the above inquiries raises questions as to the applicant's honesty, truthfulness, integrity, or competence. An inquiry is sufficient after two attempts to contact a person, including at least one written inquiry. |
| N/A | <input type="checkbox"/> | <p>DISCLOSURE QUESTIONS. The new qualified RI will need to upload into NMLS or email to AzDFI complete written details of all events or proceedings for any "Yes" answer to any of the MU2 disclosure questions.</p> |
| N/A | | <p>RI AMENDMENT FEE: The \$250.00 for amending the RI will be invoiced through NMLS.</p> |

IT IS THE LICENSEE'S RESPONSIBILITY TO REPLACE AND NOTIFY AZDFI OF A QUALIFIED RI.

The RI must:

- Be a resident of this state and shall be in active management of the activities of the licensee in this state during the entire period of designation as the RI on the license.
- A W2 employee of the company (an employee **does not include** an independent contractor).
- Be a person of stability as indicated by their credit report and employment history.
- Have at least three years' experience in the commercial mortgage business or equivalent experience in a related business.

"Active management" means directing a licensee's activities by a responsible individual, who: Is knowledgeable about the licensee's Arizona activities; Supervises compliance with: The laws enforced by the Department of Financial Institutions as they relate to the licensee, and Other applicable laws and rules; and Has sufficient authority to ensure compliance.

"Resident of this state" means a natural person domiciled in Arizona.

"Responsible individual" or **"responsible person"** as those terms are used in A.R.S. §§ 6-903, 6-943, 6-973, and 6-976, means a resident of this state who: Lives in Arizona during the entire period of designation as the responsible individual on a license; Is in active management of a licensee's affairs; Meets the qualifications listed in A.R.S. §§ 6-903, 6-943, or 6-973; and Is an officer, director, member, partner, employee, or trustee of a licensed entity.

RI QUALIFICATIONS

Equivalent and Related Experience

A. An applicant may satisfy the three years' experience requirement of A.R.S. § 6-973 by the types of lending-related experience listed in this subsection. The Department counts each month in the following types of work experience towards the three years required either for a commercial mortgage banker license, or as a responsible individual, both under A.R.S. § 6-973(D). The Department counts a fractional month of experience, at least 15 days long, as a full month.

1. Commercial mortgage banker with an Arizona license, or Responsible Individual or branch manager for a licensee;
2. Mortgage broker with Arizona license, or Responsible Individual or branch manager for a licensee;
3. Mortgage banker with an Arizona license, or Responsible Individual or branch manager for a licensee;
4. Loan officer, with responsibility primarily for loans secured by lien interests on commercial real property;
5. Lender's branch manager, with responsibility primarily for loans secured by lien interests on commercial real property;
6. Commercial mortgage banker with license from another state, or Responsible Individual for the commercial mortgage banker;
7. Mortgage broker with license from another state, or Responsible Individual for the mortgage broker;
8. Mortgage banker with license from another state, or responsible individual for the mortgage banker;
9. Attorney certified by any state as a real estate specialist.

B. The experience of an applicant with insufficient actual experience of the types listed in subsection (A) is reviewed and evaluated on a case by case basis.

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OFFICER, DIRECTOR AND/OR MEMBER AMENDMENT CHECKLIST

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|---|--------------------------|---|
| <p><u>INFORMATION on REQUESTING AN OFFICER, DIRECTOR AND/OR MEMBER AMENDMENT</u></p> | | <p>Amendments to the Officers (CEO, CFO, Treasurer, President, Vice President, etc.), Directors or Members must be documented on the MU1, Schedule C, and any new Officer, Director or Member must complete an MU2.</p> <p>Use this Amendment Checklist only for those Officers, Directors or Members who have no direct or indirect ownership interest in the licensee. If any new Officer, Director or Member has a direct or indirect ownership interest in the licensee, you will need to complete the Ownership/Control Amendment Checklist.</p> <p>It is sufficient cause for the denial, suspension or revocation of a license if an Officer, Director or Member, while acting in the course of the Commercial Mortgage Banker business has acted or failed to act in the same manner as would be cause for suspending or revoking a license as an individual.</p> |
| N/A | <input type="checkbox"/> | <p>AMENDED ARTICLES OF INCORPORATION OR ORGANIZATION: If applicable, upload into NMLS or email to AzDFI a copy reflecting the addition or removal of any Officer, Director or Member.</p> |
| <p><u>NOTE:</u></p> | | <p>BACKGROUND INVESTIGATION: A licensee shall not employ any person unless the licensee conducts a reasonable investigation of the background, honesty, truthfulness, integrity and competency of the employee before hiring.</p> <p>"Reasonable investigation of the background," as that term is used in A.R.S. §§ 6-903, 6-943, or 6-976 means a licensee, at a minimum:</p> <ul style="list-style-type: none"> Collects and reviews all the documents authorized by the Immigration Reform and Control Act of 1986, 8 U.S.C. 1324a; Obtains a completed Employment Eligibility Verification (Form I-9); Obtains a completed and signed employment application; Obtains a signed statement attesting to all of an applicant's felony convictions, including detailed information regarding each conviction; Consults with the applicant's most recent or next most recent employer, if any; Inquiries regarding the applicant's qualifications and competence for the position; If for a loan officer, loan originator, loan processor, branch manager, supervisor, or similar position, obtains a current credit report from a credit reporting agency; and Investigates further if any information received in the above inquiries raises questions as to the applicant's honesty, truthfulness, integrity, or competence. An inquiry is sufficient after two attempts to contact a person, including at least one written inquiry. |

OWNERSHIP/CONTROL AMENDMENT CHECKLIST

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|---|--------------------------|---|
| <p><u>INFORMATION on REQUESTING AN OWNERSHIP / CONTROL AMENDMENT</u></p> | | <p>Amendments to the direct or indirect owners must be documented on the MU1, Schedule C. Any individual direct or indirect owner must complete an MU2.</p> <p>Use this Amendment Checklist only for those direct or indirect owners of a licensee.</p> <p>It is sufficient cause for the denial, suspension or revocation of a license if a partner, trustee while acting in the course of the Commercial Mortgage Banker business, or any person entitled to vote more than 20% of the outstanding voting shares has acted or failed to act in the same manner as would be cause for suspending or revoking a license as an individual.</p> <p>NOTE: A person may not acquire control of a licensee through a stock purchase or other device without the prior written consent of the Superintendent. Control means the power to vote more than 20% of outstanding voting shares.</p> |
| | | <p>PURCHASE AGREEMENT: Upload into NMLS or email to AzDFI a copy of the purchase agreement, if applicable.</p> |
| | | <p>STOCK CERTIFICATES & STOCK LEDGER: Upload into NMLS or email to AzDFI a copy of the stock certificates and stock ledger, if applicable.</p> |
| | | <p>ARTICLES OF INCORPORATION OR ORGANIZATION: Upload into NMLS or email to AzDFI a copy of the Amended Articles of Incorporation or Organization, or a copy of the new Articles of Incorporation or Organization, if applicable.</p> |
| N/A | <input type="checkbox"/> | <p>FINANCIAL STATEMENT: If the new owner is other than a sole proprietor, then that entity will need to upload into NMLS an audited financial statement. If the new owner is an individual and will be in control of the licensee, then they will need to upload into NMLS or email to AzDFI a personal financial statement. AzDFI Personal Financial Statement Upload in NMLS: under the Document Type <u>Personal Financial Statement</u> in the <i>Document Uploads</i> section of the Individual Form (MU2). This document should be named <i>[State Abbreviation] – Personal Financial Statement</i>.</p> |
| <p><u>NOTE:</u></p> | | <p>BACKGROUND INVESTIGATION: A licensee shall not employ any person unless the licensee conducts a reasonable investigation of the background, honesty, truthfulness, integrity and competency of the employee before hiring.</p> <p>"Reasonable investigation of the background," as that term is used in A.R.S. §§ 6-903, 6-943, or 6-976 means a licensee, at a minimum: Collects and reviews all the documents authorized by the Immigration Reform and Control Act of 1986, 8 U.S.C. 1324a; Obtains a completed Employment Eligibility Verification (Form I-9); Obtains a completed and signed employment application; Obtains a signed statement attesting to all of an applicant's felony convictions, including detailed information regarding each conviction; Consults with the applicant's most recent or next most recent employer, if any; Inquires regarding the applicant's qualifications and competence for the position; If for a loan officer, loan originator, loan processor, branch manager, supervisor, or similar position, obtains a current credit report from a credit reporting agency; and Investigates further if any information received in the above inquiries raises questions as to the applicant's honesty, truthfulness, integrity, or competence. An inquiry is sufficient after two attempts to contact a person, including at least one written inquiry.</p> |

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|-----|--------------------------|---|
| N/A | <input type="checkbox"/> | DISCLOSURE QUESTIONS. Each new owner shall upload into NMLS or email to AzDFI complete written details of all events or proceedings for any "Yes" answer to any of the MU2 disclosure questions. |
|-----|--------------------------|---|

CHANGE THE LICENSE STATUS FROM INACTIVE TO ACTIVE CHECKLIST

| COMPLETED /ATTACHED | NOT APPLICABLE | ITEM |
|---|--------------------------|---|
| <u>INFORMATION on CHANGING AN INACTIVE LICENSE TO ACTIVE</u> | | An inactive licensee may return to active status notwithstanding section 6-973, subsection D by making a written request to the superintendent for reactivation. The licensee shall also provide the superintendent with proof that the licensee meets all of the other requirements for acting as a commercial mortgage banker, including required bond coverage or the deposit of a cash alternative. |
| <u>WHAT TO DO TO CHANGE YOUR LICENSE STATUS</u> | | You will need to email AzDFI with your intent to change your license status. |
| N/A | <input type="checkbox"/> | BOND: You will need to upload into NMLS or email to AzDFI a new bond with the applicable coverage required by statute. Arizona Surety Bond Form |