



Company New Application Checklist

Agency Requirements



ARIZONA MORTGAGE BANKER

This document includes instructions for a company (corporation location) new application request. If you need to complete a new application for a branch location or individual; refer to the appropriate new application checklists.

Fee Breakdown: *(all fees are collected via the NMLS)*

Collected at the time of Application:

- **Non-Refundable Application Fee: \$1,000.00**
- **Prorated License Fee** (only refundable if application is denied):

| Application Submitted In | Fee | License Active Through |
|--------------------------|----------|------------------------------------|
| January, February, March | \$750.00 | 12/31 of the Current Calendar Year |
| April, May, June | \$562.50 | 12/31 of the Current Calendar Year |
| July, August, September | \$375.00 | 12/31 of the Current Calendar Year |
| October | \$187.50 | 12/31 of the Current Calendar Year |
| November, December | \$937.50 | 12/31 of the Next Calendar Year |

- Non-Refundable NMLS Processing Fee: \$100.00
- FBI Criminal Background Check Fee: \$36.25 x each required authorization

Use the checklist below to complete the requirements for Arizona licensing. The checklist provides instructions and requirements for information to be entered in NMLS, the documents that must be uploaded into NMLS, as well as the documents that must be sent outside NMLS.

For help with the NMLS application, see the [Quick Guide for submitting a complete Company Form](#) filing through NMLS.

Agency specific requirements marked **Filed in NMLS** must be completed and/or uploaded in NMLS; this information will not be viewable to the agency until the application has been submitted through NMLS.

For help with document uploads, see the [Quick Guide for document upload in NMLS](#)

Note: Financial statements are uploaded separately under the Filing tab, “Financial Statement” submenu. All other documents are uploaded in the Filing tab under the “Document Upload” section of the company form.

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| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Branch Location(s):</p> <ul style="list-style-type: none"> • Arizona is a brick and mortar state. At least 1 place of business must be an Arizona residence or commercial property. If the entity's physical address is not located in Arizona, a separate branch application is required. • A separate branch application must be submitted for all additional branch locations. • A separate branch application must be submitted for each DBA or Trade name used. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Branch Manager:</p> <ul style="list-style-type: none"> • A branch manager must be designated for each licensed location. • A branch manager <i>can</i> manage more than one licensed location at a time. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Other Trade Name(s):</p> <ul style="list-style-type: none"> • List your DBA or Trade Name(s) used in Arizona in the "Other Trade Names" section of the Form MU1. • The first DBA or Trade Name can be used on the initial license application. Each additional DBA or Trade Name requires a separate license application to be submitted. • You may only transact business in the name(s) approved and listed on your Arizona license(s). • It is recommended that each DBA or Trade Name is registered with the Arizona Secretary of State. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Resident/Registered Agent:</p> <ul style="list-style-type: none"> • Add the information currently on record with Arizona Corporation Commission in the "Resident/Registered Agent" section of the Form MU1. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Bank Account:</p> <ul style="list-style-type: none"> • Bank account information is not required; this field can be left blank on the company form. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Qualifying Individual:</p> <ul style="list-style-type: none"> • List one person who qualifies as your Arizona Responsible Individual in the "Qualifying Individual" section of the Form MU1. <p><u>Qualifications for this Position:</u></p> <ul style="list-style-type: none"> • Must be a resident of Arizona. • A W2 employee of the company (an employee does not include an |

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| | | | <p>independent contractor).</p> <ul style="list-style-type: none"> • Have not fewer than three years' experience in the business of making mortgage banking loans or equivalent lending experience in a related business. • Note: The Responsible Individual will be required to complete 12 hours of continuing education (CE) relating the mortgage industry prior to renewal each year. 8 hours of Loan Originator CE can be applied towards the 12 hour requirement. Completion certificates should be uploaded under "Verification of Experience" in the "Document Uploads" section of the Form MU2. <p>"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.</p> <p>"Resident of this state" means a natural person domiciled in Arizona.</p> <p>"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.</p> <p><u>Equivalent and Related Experience</u></p> <p>A. An applicant may satisfy the three years' experience requirement of A.R.S. § 6-943 by the types of lending-related experience listed in this subsection. The Department counts each month in the following types of work experience toward the three years required either for a mortgage banker license, or as a responsible individual, both under A.R.S. § 6-943(C). The Department counts a fractional month of experience, at least 15 days long, as a full month.</p> <ol style="list-style-type: none"> 1. Mortgage banker with an Arizona license, responsible individual, or branch manager for a licensee; 2. Mortgage broker with an Arizona license, responsible individual, or branch manager for a licensee; 3. Loan officer with responsibility primarily for loans secured by lien interests on real property; 4. Lender's branch manager with responsibility primarily for loans secured by lien interests on real property; 5. Mortgage banker with license from another state, or responsible individual for the mortgage banker; 6. Mortgage broker with license from another state, or responsible individual for the mortgage broker; |

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| | | | <p>7. Attorney certified by any state as a real estate specialist.</p> <p>B. An applicant with insufficient actual experience of the types listed in subsection (A) may satisfy the remainder of the three years' experience requirement of A.R.S. § 6-943 by the types of related experience listed in this subsection. The Department counts each month in the following types of work experience according to the ratio listed below, of actual experience to equivalent experience, credited toward qualifying for a license, or as a responsible individual, both under A.R.S. § 6-943(C). The Department counts a fractional month of experience, at least 15 days long, as a full month. An applicant receives credit in only one area listed and for not more than three years' actual experience. The remaining years of experience required to qualify for a license shall be obtained from types of work experiences listed in subsection (A).</p> <ol style="list-style-type: none"> 1. Attorney without state bar certified real estate specialty...3:2 2. Paralegal with experience in real estate matters...3:2 3. Loan underwriter...3:2 4. Mortgage banker or mortgage broker from another state without license...3:2 5. Real estate broker with an Arizona license or license from a state with substantially equivalent licensing requirements...3:2 6. Escrow officer...3:2 7. Trust officer with a title company...3:2 8. Executive, supervisor, or policy maker involved in administering or operating a mortgage-related business...3:1.5 9. Title officer with a title company...3:1.5 10. Real estate broker, not qualified under subsection (B)(5)...3:1.5 11. Loan processor with responsibility primarily for loans secured by lien interests on real property...3:1.5 12. Lender's branch manager with responsibility primarily for loans not secured by lien interests on real property...3:1.5 13. Real property salesperson, with an Arizona license or a license from a state with substantially equivalent licensing requirements...3:1 14. Loan officer, with responsibility primarily for loans not secured by lien interests on real property...3:1 |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Verification of Experience:</p> <p>For the Responsible Individual, provide the following:</p> <ul style="list-style-type: none"> • List all applicable Employment History (<i>pertaining to the experience requirement above</i>) in the "Employment History" section of the individual's Form MU2. • If the department needs supporting information (such as a resume or |

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| | | | <p>a letter(s) of reference) to determine eligibility, we will place a deficiency via the NMLS during the review of the application.</p> |
| <input type="checkbox"/> | <p>N/A</p> | <p>N/A</p> | <p>MU2 Individual FBI Criminal Background Check Requirements:</p> <p>The following Individuals, specified on the Form MU1 are required to authorize a FBI criminal background check (CBC) through the NMLS:</p> <p>Direct Owners/Officers – CBC is not required for individuals who have had a CBC done during the previous 12 months.</p> <ul style="list-style-type: none"> • All individuals who hold 20% or more of the voting shares. • Top 1-3 individuals that are responsible for and provide oversight for the entity’s business activity. <p>Qualifying Individual – CBC is not required for individuals who have had a CBC done during the previous 12 months.</p> <p>After authorizing a FBI criminal background check through the submission of the Form MU1 and Form MU2, you must schedule an appointment to be fingerprinted if new prints are required. See the Quick Guides - Company section of the NMLS Resource Center for more information.</p> <p>Note: If you are able to ‘Use Existing Prints’ to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p> |
| <input type="checkbox"/> | <p>N/A</p> | <input type="checkbox"/> | <p>Disclosure Questions:</p> <ul style="list-style-type: none"> • Provide an explanation for all “Yes” answers in the “Disclosure Explanation” section of the Form MU1. • Upload a copy of any applicable orders or supporting documents into the “Document Uploads” section of the Form MU1. |
| <input type="checkbox"/> | <p>N/A</p> | <p>N/A</p> | <p>Financial Statements:</p> <p>Net Worth Requirement: \$100,000.00 at all times</p> <ul style="list-style-type: none"> • Upload the most current <u>CPA Audited Financial Statement on the applicant or that of the applicant’s parent company</u> that has been prepared by an independent certified public accountant in accordance with generally accepted accounting principles under the Filing tab “Financial Statement” submenu. The CPA must include all of the following in the audited financial statements package: <ol style="list-style-type: none"> 1. The certified public accountant’s opinion as to the fairness of the presentation in conformity with GAAP. 2. A balance sheet prepared within the previous six months and certified by the applicant. 3. A statement of operations and retained earnings and a statement of changes in financial position. 4. Notes to the financial statement, if applicable. <p>If the CPA Audited Financial Statement is older than 6 months, the department requires a current, <u>Unaudited Balance</u></p> |

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| | | | <p>Statement and Profit & Loss Statement in addition to the most current audited financials.</p> <p style="text-align: center;"><u>OR</u></p> <p>If the applicant's own resources are derived exclusively from correspondent contracts with institutional investors:</p> <ul style="list-style-type: none"> • Upload, in PDF format, the most current financial statement or that of the applicant's parent company prepared according to generally accepted accounting principles, under the Filing tab "Financial Statement" submenu, including: <ol style="list-style-type: none"> 1. A balance sheet prepared within the immediately preceding six months and certified by the applicant. 2. If the applicant has begun operations, a statement of operations and retained earnings and a statement of changes in financial position. 3. Notes to the financial statement, if applicable. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Formation Document:</p> <ul style="list-style-type: none"> • Upload a certified copy of the applicable document listed below into the "Document Uploads" section of the Form MU1. <p>The Corporate Charter or Articles of Incorporation (Corporation) The Articles of Organization and Operating Agreement (LLC) The Partnership Agreement (Partnership of any form)</p> |
| <input type="checkbox"/> | N/A | N/A | <p>Surety Bond:</p> <p>If your investors are limited solely to Institutional Investors, the Surety Bond amount is \$25,000.</p> <p><i>"Institutional investor" means a state or national bank, a state or federal savings and loan association, a state or federal savings bank, a state or federal credit union, a federal government agency or instrumentality, a quasi-federal government agency, a financial enterprise, a licensed real estate broker or salesman, a profit sharing or pension trust, or an insurance company.</i></p> <ul style="list-style-type: none"> • Upload a Surety Bond into the "Document Uploads" section of the Form MU1. You must use the Arizona Surety Bond Form. • The bond must be signed by all parties. The name of the officer that signs the bond must be printed on the bond. • Arizona requires one surety bond per license type (it covers all DBA licenses). Do not include any DBA names on the surety bond form. • Contact the department at felicensing@difi.az.gov for guidance if you will be using Cash or Cash Alternatives in lieu of a Surety Bond. <p>If your investors are other than Institutional Investors, the Surety Bond amount required shall be computed on a base consisting of the total assets of the licensee/applicant plus the unpaid balance of loans which it has contracted to service for others as of the end of the licensee's/applicant's</p> |

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| | | | fiscal year. <table border="0"> <tr> <td data-bbox="542 268 613 298"><u>Base</u></td> <td data-bbox="1032 268 1295 298"><u>Minimum Bond/CD</u></td> </tr> <tr> <td data-bbox="542 348 808 378">Not over \$1,000,000</td> <td data-bbox="1032 315 1481 415">\$25,000 for the first \$500,000 plus \$5,000 for each \$100,000 or fraction thereof over \$500,000</td> </tr> <tr> <td data-bbox="542 483 889 512">\$1,000,001 to \$10,000,000</td> <td data-bbox="1032 449 1481 550">\$50,000 plus \$5,000 for each \$1,800,000 or fraction thereof over \$1,000,000</td> </tr> <tr> <td data-bbox="542 596 922 625">\$10,000,001 to \$100,000,000</td> <td data-bbox="1032 583 1432 684">\$75,000 plus \$5,000 for each \$18,000,000 or fraction thereof over \$10,000,000</td> </tr> <tr> <td data-bbox="542 714 844 743">\$100,000,001 and over</td> <td data-bbox="1032 714 1156 743">\$100,000</td> </tr> </table> | <u>Base</u> | <u>Minimum Bond/CD</u> | Not over \$1,000,000 | \$25,000 for the first \$500,000 plus \$5,000 for each \$100,000 or fraction thereof over \$500,000 | \$1,000,001 to \$10,000,000 | \$50,000 plus \$5,000 for each \$1,800,000 or fraction thereof over \$1,000,000 | \$10,000,001 to \$100,000,000 | \$75,000 plus \$5,000 for each \$18,000,000 or fraction thereof over \$10,000,000 | \$100,000,001 and over | \$100,000 |
| <u>Base</u> | <u>Minimum Bond/CD</u> | | | | | | | | | | | | |
| Not over \$1,000,000 | \$25,000 for the first \$500,000 plus \$5,000 for each \$100,000 or fraction thereof over \$500,000 | | | | | | | | | | | | |
| \$1,000,001 to \$10,000,000 | \$50,000 plus \$5,000 for each \$1,800,000 or fraction thereof over \$1,000,000 | | | | | | | | | | | | |
| \$10,000,001 to \$100,000,000 | \$75,000 plus \$5,000 for each \$18,000,000 or fraction thereof over \$10,000,000 | | | | | | | | | | | | |
| \$100,000,001 and over | \$100,000 | | | | | | | | | | | | |
| <input type="checkbox"/> | N/A | N/A | <p>Loan Originator Surety Bond: A mortgage banker shall:</p> <ul style="list-style-type: none"> • Provide a surety bond, executed in its legal name, in the amount of \$200,000 to comply with the financial responsibility of its loan originators as required by ARS § 6-991.03(B)(8). <ul style="list-style-type: none"> ○ Upload a Surety Bond with the naming convention of ‘MLO Surety Bond’ into the “Document Uploads” section of the Form MU1. You must use the Arizona MLO Surety Bond Form. ○ The bond must be signed by all parties. The name of the officer that signs the bond must be printed on the bond. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Each loan originator shall be invoiced \$100 on each initial and renewal application for deposit in the mortgage recovery fund established pursuant to section 6-991.09 | | | | | | | | | | |
| N/A | N/A | N/A | <p>Record Storage: If you wish to keep your records on a computer or mechanical record keeping system, please send a written request, preferably on company letterhead to ficensing@difi.az.gov.</p> | | | | | | | | | | |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Personal Financial Statement: (Sole Proprietors Only):</p> <ul style="list-style-type: none"> • Upload a completed Personal Financial Statement form into the “Document Uploads” section of the Form MU2. You must use the Arizona Personal Financial Statement form. This document should be named [State Abbreviation] – Personal Financial | | | | | | | | | | |

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| | | | Statement. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Documentation of Citizenship or Alien Status (Sole Proprietors Only): If you are applying as a sole proprietor, Arizona requires a copy of appropriate documentation of citizenship or alien status. Please refer to A.R.S. Section 41-1080.</p> <ul style="list-style-type: none"> • Upload Documentation of Citizenship or Alien Status into the NMLS under the Document Type “Legal Name/Status Documentation” in the “Document Uploads” section of the Form MU2. • A driver’s license from the following states WILL NOT satisfy this requirement: California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Maryland, New Mexico, New York, Nevada, Utah, Vermont, and Washington. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Business Plan:</p> <ul style="list-style-type: none"> • Upload a Business Plan under “Business Plan” in the “Document Uploads” section of the Form MU1. This document should be named [Company Legal Name] Business Plan. • The business plan must include: marketing strategies, products, target markets, and the operating structure that the applicant intends to employ. • If an existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Management Chart:</p> <ul style="list-style-type: none"> • Upload a Management Chart under “Management Chart” in the “Document Uploads” section of the Form MU1. This document should be named [Company Legal Name] Management Chart. • The management chart must include a chart displaying the applicant’s divisions, officers, and managers (individual name and title). It must also identify compliance reporting and internal audit structure. • If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart. |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | <p>Organizational Chart/Description:</p> <ul style="list-style-type: none"> • Upload an Organizational Chart under “Organizational Chart/Description” in the “Document Uploads” section of the Form MU1. This document should be named [Company Legal Name] |

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| | | | <p>Organizational Chart – Description.</p> <ul style="list-style-type: none"> The organizational chart must include a chart showing (or a description which includes) the percentage of ownership of Direct Owners and Indirect Owners as well as Subsidiaries and Affiliates of the applicant. If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. |
| <p><u>IMPORTANT:</u> You should review the statutes (Arizona Revised Statutes Title 6, Chapter 9, Article 2) and rules (Arizona Administrative Code Title 20, Chapter 4) for Mortgage Bankers. The statutes and rules provide definitions, licensing requirements and licensing exemptions. We have a link to the statutes and rules on our website at difi.az.gov. You may also click on the word statute or rules to link you directly to them.</p> | | | |
| <p>Notice to Applicants Effective July 3, 2015:</p> | | <p style="text-align: center;">In accordance with A.R.S. §41-1030</p> <ul style="list-style-type: none"> An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition. This statute may be enforced in a private civil action and relief may be awarded against the state. The court may award reasonable attorney fees, damages and all fees associated with the license application to a party that prevails in an action against the state for a violation of this section. A state employee may not intentionally or knowingly violate this statute. A violation of this statute is cause for disciplinary action or dismissal pursuant to the agency’s adopted personnel policy. <p>This statute does not abrogate the immunity provided by A.R.S. §12-820.01 or A.R.S. §12-820.02.</p> | |

The regulator will review the filing and all required documents and communicate with you through NMLS. To review your status or see detailed communication from the regulator, click on the Composite View tab and then click on View License/Registration in NMLS see ([License Status Quick Guide](#)) for instruction.

WHO TO CONTACT – Contact Licensing Division staff by phone at (602) 771-2800 or send your questions via e-mail to felicensing@difi.az.gov for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.