INSTRUCTIONS

1. You can only make amendments to your license if your license status is “APPROVED”, “APPROVED – DEFICIENT” or “APPROVED – INACTIVE”.

2. All amendments must be reported in a timely manner within statutory guidelines to AZ-DIFI, penalties may be assessed for noncompliance.

3. If your company structure changes, i.e. your Tax Identification Number changes and/or you change from a Sole Proprietor to an LLC or to a Corporation, 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. Each amendment included on this form requires you to also update your MU1 and/or MU2. **IMPORTANT NOTE:** CHANGES IN CONTROL MUST HAVE PRIOR APPROVAL FROM AZ-DIFI BEFORE THE CHANGE CAN BE COMPLETED.

5. **Duplicate License Request Checklist**

6. **Name Amendment Checklist**

7. **Address Amendment Checklist**

8. **Responsible Individual (“RI”) Amendment Checklist**

9. **Officer, Director and/or Member Amendment Checklist**

10. **Ownership/Control Amendment Checklist**

11. **Change the License Status from Inactive to Active**

12. Fees collected through NMLS ARE NOT REFUNDABLE OR TRANSFERABLE.

13. AZ-DIFI will review the Amendment request and required documents. If there are any deficiencies, they will be communicated to the licensee through NMLS.

14. A new license will be issued only when there is a change in the address, the licensee’s name or the Responsible Individual or a duplicate license is requested. Please note that a change in the Responsible Individual will require the issuance of a new parent license certificate. A change in the address will require the issuance of a new license certificate for the licensed location affected by the new address. A new license certificate will be issued for all licensed locations when there is a change to the name of the licensed entity.

15. Arizona state specific requirements, as identified on the following checklists, must be uploaded into NMLS.

AZ-DIFI CONTACT INFORMATION
For questions regarding Arizona state specific requirements and/or guidelines you may contact AZ-DIFI Licensing staff at (602) 771-2800 or via e-mail at felicensing@difi.az.gov.
THE APPLICANT/LICENSEE IS RESPONSIBLE FOR COMPLIANCE WITH ALL ARIZONA STATE SPECIFIC REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING/AMENDING. THE STATE SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE TO BE USED FOR GUIDANCE ONLY TO ASSIST WITH YOUR APPLICATION/AMENDMENT THROUGH NMLS. LINKS TO ARIZONA REVISED STATUTES AND RULES CAN BE FOUND ON AZ-DIFI’S WEBSITE AT www.DIFI.AZ.GOV. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.
# DUPLICATE LICENSE REQUEST CHECKLIST

<table>
<thead>
<tr>
<th>COMPLETED /ATTACHED</th>
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<th>ITEM</th>
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<tbody>
<tr>
<td>INFORMATION on REQUESTING A DUPLICATE LICENSE</td>
<td>To request a duplicate license certificate, send an email to AZ-DIFI at <a href="mailto:felicensing@difi.az.gov">felicensing@difi.az.gov</a>. Include the name of the entity, the Arizona license number and/or branch license number and NMLS ID #. AZ-DIFI will email your license certificate to the contact person on file. AZ-DIFI will no longer issue a paper license certificate. <strong>Licensees are responsible for printing and prominently displaying their license for each licensed location.</strong></td>
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# NAME AMENDMENT CHECKLIST

<table>
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<td>INFORMATION on REQUESTING A NAME AMENDMENT</td>
<td>If the company structure changes, i.e. your Tax Identification Number changes and/or you change from a Sole Proprietor to an LLC or to a Corporation, a new MU1 and a new license application must be completed. The currently licensed company would need to be closed/terminated on NMLS and your license would need to be surrendered. All other name changes should be submitted as an amendment filing on the MU1. The fee for a name change is $250 per licensed location. <strong>NOTE:</strong> You may not transact business in Arizona under the amended name unless and/or until AZ-DIFI has approved and issued a license in the amended name.</td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td></td>
<td>BOND: A new bond with the new name or a bond rider reflecting the amended name will need to be uploaded into the NMLS document uploads. <a href="#">Arizona Surety Bond Form</a></td>
</tr>
<tr>
<td>N/A</td>
<td></td>
<td>CORPORATION: If the entity is a Corporation, a copy of the approved amended articles of incorporation will need to be uploaded into NMLS.</td>
</tr>
<tr>
<td>N/A</td>
<td></td>
<td>FOREIGN CORPORATION: If the entity is a foreign corporation, a copy of the approved Arizona foreign authorization will need to be uploaded into NMLS.</td>
</tr>
<tr>
<td>N/A</td>
<td></td>
<td>DBA: If you are amending a DBA or Trade Name, and that name has been approved by the Arizona Secretary of State you may upload a copy of that approval into NMLS. *Optional</td>
</tr>
<tr>
<td>N/A</td>
<td></td>
<td>NAME AMENDMENT FEE: $250.00 for each licensed location that is amending its name. This fee will be collected through NMLS, either at the time the change is submitted or the fee will be invoiced separately after the change is submitted.</td>
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ADDRESS AMENDMENT CHECKLIST

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<td>INFORMATION on REQUESTING AN ADDRESS AMENDMENT</td>
<td>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 Deputy Director within five business days after the address change... A copy of the license shall continue to be displayed at the place of business until a new license is issued.</td>
<td></td>
</tr>
<tr>
<td>INSTRUCTIONS</td>
<td>Update the address within the MU1 in NMLS.</td>
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Arizona Revised Statutes state, 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,” may result in AZ-DIFI filing a regulatory enforcement action seeking 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.

- **DO NOT** transfer or assign your mortgage broker or banker license to “branch managers” or “owners.”
- **DO NOT** 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.
- **DO NOT** require branch managers to sign agreements to pay monthly fees for using your license.
- **DO NOT** 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.
- **DO NOT** fail to assume the responsibility and liability for branch office equipment leases that are rightfully your responsibility. Branch managers should not sign these leases.
- **DO NOT** 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.
- **DO NOT** inform the Better Business Bureau that your branches are independent.
- **DO NOT** fail to account for all branch income and expenses on tax returns and on financial statements.
- **DO NOT** fail to maintain physical access to your branches at all times.
- **DO NOT** fail to maintain control over the payment of your branch expenses.
- **DO NOT** 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.
- **DO NOT** pay W-2 income to companies owned by branch managers in an attempt to evade taxes.
- **DO NOT** fail to employ practices and procedures consistent with all HUD guidelines.
- **DO NOT** 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  

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**PURSUANT TO ARIZONA REVISED STATUTES**  
**FAILURE TO COMPLY WITH ARIZONA STATE SPECIFIC REQUIREMENTS FOR A RESPONSIBLE INDIVIDUAL MAY RESULT IN THE EXPIRATION OF YOUR LICENSE.**

**INFORMATION on REQUESTING AN RI AMENDMENT**

A licensee shall notify AZ-DIFI when an 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 AZ-DIFI of the qualified replacement. **THE NEW RI MUST MEET ALL ARIZONA REQUIREMENTS TO BE A QUALIFIED REPLACEMENT.** A license will expire if the licensee fails to replace AND notify AZ-DIFI of a qualified replacement within 90 days of the date AZ-DIFI received notification that the RI will no longer be in active management.

A licensee should be knowledgeable about any other mortgage entities the new RI may be concurrently employed with by reviewing the new qualified RI's MU2. An RI may be an RI for more than one licensee.

A change in the RI must be reported on the MU1. The RI will be listed in NMLS as the Qualified Individual for Arizona.

**EMPLOYMENT/EXPERIENCE VERIFICATION:** Upload into NMLS letters from current and/or past employers verifying job experience and dates of employment. Employment verifications must be submitted on the employer’s letterhead, provide a job description and must include dates of employment.

Upload into NMLS under the Document Type Verification of Experience in the Document Uploads section of the Individual Form (MU2).

Please note W2's, resumes, personal references and/or education do not constitute verification of job experience.

This document should be named [Document Type] – License Name.

**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.

"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;
- 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.

**DISCLOSURE QUESTIONS.** The new qualified RI will need to upload into NMLS or email to AZ-DIFI complete written details of all events or proceedings for any “Yes” answer to any of the MU2 disclosure questions.

**IT IS THE RESPONSIBILITY OF THE LICENSEE TO REPLACE AND NOTIFY AZ-DIFI OF A NEW 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.
- Be 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.

"**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.

**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.
### OFFICER, DIRECTOR AND/OR MEMBER AMENDMENT CHECKLIST

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| INFORMATION on REQUESTING AN OFFICER, DIRECTOR AND/OR MEMBER AMENDMENT | Amendments to an Officer, Director or Member must be documented on the MU1, and any new Officer, Director or Member must complete an MU2.  
This Amendment Checklist should be used for an Officer, Director or Member who has 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.  
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 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.  
| N/A | AMENDED ARTICLES OF INCORPORATION OR ORGANIZATION: If applicable, a copy reflecting the addition or removal of any Officer, Director or Member should be uploaded into NMLS. |

### NOTE:

"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;  
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

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<td>Amendments to the direct or indirect owners must be documented on the MU1. Any individual direct or indirect owner must complete an MU2. Use this Amendment Checklist only for those direct or indirect owners of a licensee. It is sufficient cause for the denial, suspension or revocation of a license if a partner, trustee while acting in the course of the 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. <strong>NOTE</strong>: A person may not acquire control of a licensee through a stock purchase or other device without the prior written consent of the Deputy Director. Control means the power to vote more than 20% of outstanding voting shares.</td>
<td>N/A</td>
<td>PURCHASE AGREEMENT:  If applicable, a copy of the purchase agreement should be uploaded into NMLS.</td>
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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.

| N/A |  | DISCLOSURE QUESTIONS. Each new owner will need to upload into NMLS the 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**

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<td>INFORMATION on CHANGING AN INACTIVE LICENSE TO ACTIVE</td>
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<td>An inactive licensee may return to active status notwithstanding the requirements of A.R.S.§ 6-981 by making a written request to the Deputy Director for reactivation and paying the prorated portion of the annual assessment that would have been charged to the licensee. The licensee shall also provide the Deputy Director with proof that the licensee meets all of the other requirements for acting as a commercial mortgage banker, including submission of the required bond coverage or, in the alternative, the deposit of a cash alternative. An intent to change your license status must be emailed to AZ-DIFI.</td>
</tr>
<tr>
<td>N/A</td>
<td>☐</td>
<td>BOND: The new bond reflecting applicable coverage as required by statute must be uploaded into NMLS <a href="#">Arizona Surety Bond Form</a></td>
</tr>
</tbody>
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