ARIZONA COMMERCIAL MORTGAGE BROKER BRANCH AMENDMENT CHECKLISTS

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. Each amendment included on this Amendment Checklists form requires you to also update your MU3.
4. **Branch Manager Amendment Checklist**
5. **Duplicate License Request Checklist**
6. **Other Trade Name Amendment Checklist**
7. **Address Amendment Checklist**
8. AZ-DIFI will review the Amendment request and required documents. If there are any deficiencies, they will be communicated to the licensee through NMLS
9. A new license will be issued only when there is a change in the address or a duplicate license is requested. 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.
10. 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.

BRANCH MANAGER AMENDMENT CHECKLIST

	ITEM
INFORMATION on CHANGING A BRANCH MANAGER	Submit an amendment for a change in the Branch Manager within the Branch Form (MU3) in NMLS. **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.

DUPLICATE LICENSE REQUEST CHECKLIST

	ITEM
INFORMATION on REQUESTING A DUPLICATE LICENSE	To request a duplicate license certificate, send an email to AZ-DIFI at felicensing@difi.az.gov. 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. **Licensees are responsible for printing and prominently displaying their license for each licensed location.**

OTHER TRADE NAME AMENDMENT CHECKLIST

FILED IN NMLS	COMPLETED/ ATTACHED	NOT APPLICABLE	ITEM

☐	N/A	☐	• **List your DBA or Trade Name(s) used in Arizona** in the "Other Trade Names" (OTN) section of the Branch Form (MU3).
			• **IMPORTANT** - If adding a new OTN for the branch location that is not already listed on the Company Form (MU1), during the application process, also submit an amendment for the addition of the OTN through the Company Form (MU1) in NMLS.
			• A separate license is **no longer required** for use of multiple trade names.
			• You may only transact business in the legal name of the entity and any name(s) approved and listed for Arizona under the Trade name section on the NMLS.
			• A licensee may not use an assumed name or trade name that either:
			  ○ Is so substantially similar to the assumed name or trade name of another department licensee that it may cause uncertainty or confusion among the public.
			  ○ Tends to deceive or mislead the public as to the nature of

			business that the licensee conducts. • A person using an approved assumed or trade name shall notify the AZ-DIFI within fifteen days after any material change to the name. • It is recommended that each DBA or Trade Name is registered with the Arizona Secretary of State.

ADDRESS AMENDMENT CHECKLIST

FILED IN NMLS	COMPLETED/ATTACHED	NOT APPLICABLE	ITEM
INFORMATION on REQUESTING AN ADDRESS AMENDMENT			**Arizona Administrative Code R20-4-1916 states:** "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 at least five business days before the address change. ... A copy of the license shall continue to be displayed at the place of business until a new license is issued."
INSTRUCTIONS			Update the address within the MU3 in NMLS.

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."