



## Branch New Application Checklist

Agency Requirements



### ARIZONA COMMERCIAL MORTGAGE BROKER BRANCH

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

Note: The company form (corporate location) must request a new application prior to the submission of a branch form.

There is a non-refundable application fee of \$250.00 which is collected through NMLS. The NMLS non-refundable processing fee of \$20.00 is collected by NMLS.

#### **Use the checklist below to complete the requirements for Arizona Department of Financial Institutions.**

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 Branch Form](#) 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](#)

**You may submit documents to AzDFI electronically using AzDFI's encrypted message service (Please include your company name and NMLS number in the subject).**

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

| FILED IN NMLS  | ATTACHED | NOT APPLICABLE           | ARIZONA COMMERCIAL MORTGAGE BROKER BRANCH  |
|--|----------|--------------------------|--|
| <input type="checkbox"/>   | N/A      | N/A                      | <b>Branch Manager:</b> A branch manager must be designated for each licensed location.   |
| <input type="checkbox"/>   | N/A      | <input type="checkbox"/> | <b>Disclosure Questions:</b> Provide an explanation for any “Yes” response. Upload a copy of any applicable orders or supporting documents in NMLS.  |
| N/A  | N/A      | N/A                      | <b>Fees:</b> Once your application has been approved, you will be invoiced for the pro-rated licensing fee. The branch license will not be issued until AzDFI has received the pro-rated branch license fee.   |
| <input type="checkbox"/>   | N/A      | N/A                      | <p><b>Copy of Lease Agreement:</b> Upload a copy of the lease into NMLS. If the branch office is leased/rented then please provide a copy of the lease agreement. If the branch office is subleased, then also provide a copy of the original lease/rental agreement along with sublease agreement.</p> <p><b>Upload in NMLS:</b> under the Document Type <u>Branch Written Agreement</u> in the <i>Document Uploads</i> section of the Branch Form (MU3).</p>   |
| <p><b><u>IMPORTANT INFORMATION REGARDING NET BRANCHING AND BRANCH REQUIREMENTS</u></b></p> |          |                          | <p>A.R.S. §§ 6-903 AND 6-944 STATE, IN PERTINENT PART, THAT A MORTGAGE BROKER LICENSE AND A MORTGAGE BANKER LICENSE ARE “NOT TRANSFERABLE OR ASSIGNABLE” WITHOUT THE PRIOR WRITTEN CONSENT OF THE SUPERINTENDENT. ENGAGING IN ANY OF THE ACTIVITIES LISTED BELOW, COMMONLY REFERRED TO AS “NET BRANCHING,” CAN RESULT IN THE DEPARTMENT 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. <b>THIS IS NOT AN EXHAUSTIVE LIST.</b></p> <p>DON’T TRANSFER OR ASSIGN YOUR MORTGAGE BROKER OR BANKER LICENSE TO “BRANCH MANAGERS” OR “OWNERS.”</p> <p>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.</p> <p>DON’T REQUIRE BRANCH MANAGERS TO SIGN AGREEMENTS TO PAY MONTHLY FEES FOR USING YOUR LICENSE.</p> <p>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.</p> <p>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.</p> <p>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</p> |

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|               |          |   | <p>BE IN LICENSEE'S NAME.</p> <p>DON'T INFORM THE BETTER BUSINESS BUREAU THAT YOUR BRANCHES ARE INDEPENDENT.</p> <p>DON'T FAIL TO ACCOUNT FOR ALL BRANCH INCOME AND EXPENSES ON TAX RETURNS AND ON FINANCIAL STATEMENTS.</p> <p>DON'T FAIL TO MAINTAIN PHYSICAL ACCESS TO YOUR BRANCHES AT ALL TIMES.</p> <p>DON'T FAIL TO MAINTAIN CONTROL OVER THE PAYMENT OF YOUR BRANCH EXPENSES.</p> <p>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.</p> <p>DON'T PAY W-2 INCOME TO COMPANIES OWNED BY BRANCH MANAGERS IN AN ATTEMPT TO EVADE TAXES.</p> <p>DON'T FAIL TO EMPLOY PRACTICES AND PROCEDURES CONSISTENT WITH ALL HUD GUIDELINES.</p> <p>DON'T FAIL TO MAINTAIN CONTROL OVER BRANCH BANK ACCOUNTS OR ALLOW BRANCH MANAGERS TO WRITE PAYROLL CHECKS AND REIMBURSE THEMSELVES FOR EXPENSES.</p> <p>FOR MORE INFORMATION, PLEASE ACCESS <a href="http://WWW.HUDCLIPS.ORG">WWW.HUDCLIPS.ORG</a> 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."</p> |
|               |          | <p><b>Notice to Applicants</b><br/><b>Effective July 3, 2015:</b></p> | <p style="text-align: center;"><b>In accordance with <a href="#">A.R.S. §41-1030</a></b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• A state employee may not intentionally or knowingly violate this statute. A violation of this statute is cause for disciplinary action or</li> </ul>   |

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|                     |          |                   | <p>dismissal pursuant to the agency's adopted personnel policy.</p> <p>This statute does not abrogate the immunity provided by <a href="#">A.R.S. §12-820.01</a> or <a href="#">A.R.S. §12-820.02</a>.</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 [licensing@azdfi.gov](mailto:licensing@azdfi.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.