



Company New Application Checklist

Agency Requirements



ARIZONA COMMERCIAL MORTGAGE BROKER

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: \$500.00**
- Non-Refundable NMLS Processing Fee: \$100.00
- FBI Criminal Background Check Fee: \$36.25 x each required authorization

Invoiced Prior to License Approval:

- **Prorated License Fee (per the chart below):**

Approval Month	Fee	License Active Through
January, February, March	\$250.00	12/31 of the Current Calendar Year
April, May, June	\$187.50	12/31 of the Current Calendar Year
July, August, September	\$125.00	12/31 of the Current Calendar Year
October	\$62.50	12/31 of the Current Calendar Year
November, December	\$312.50	12/31 of the Next Calendar Year

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.

FILED IN NMLS	ATTACHED	NOT APPLICABLE	ARIZONA COMMERCIAL MORTGAGE BROKER
<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

FILED IN NMLS	ATTACHED	NOT APPLICABLE	ARIZONA COMMERCIAL MORTGAGE BROKER
			<p>independent contractor).</p> <ul style="list-style-type: none"> • Have not less than three years of experience in the commercial mortgage broker business or equivalent lending experience in a related business during the five years immediately preceding the time of application. <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>
<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 a letter(s) of reference) to determine eligibility, we will place a deficiency via the NMLS during the review of the application.
<input type="checkbox"/>	N/A	N/A	<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</p>

FILED IN NMLS	ATTACHED	NOT APPLICABLE	ARIZONA COMMERCIAL MORTGAGE BROKER
			background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.
<input type="checkbox"/>	N/A	<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"/>	N/A	N/A	<p>Financial Statements:</p> <p>Net Worth Requirement: Must be solvent as defined under <u>A.R.S. Section 47-1201</u>.</p> <p>Upload the most current <u>Un-Audited Financial Statements</u> on the applicant or that of the applicant’s parent company. The financial statements should include:</p> <ol style="list-style-type: none"> 1. A balance sheet prepared within the previous six months and certified by the applicant. 2. A statement of operations and retained earnings and a statement of changes in financial position. 3. Notes to the financial statement, if applicable. <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>

FILED IN NMLS	ATTACHED	NOT APPLICABLE	ARIZONA COMMERCIAL MORTGAGE BROKER
<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 \$10,000. Otherwise the Surety Bond amount is \$15,000.</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 will cover 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.
N/A	N/A	N/A	<p>Record Storage:</p> <p>If you wish to keep your records on a computer or mechanical record keeping system, please contact the department at felicensing@difi.az.gov.</p>
N/A	N/A	N/A	<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 Statement.
N/A	N/A	<input type="checkbox"/>	<p>Documentation of Citizenship or Alien Status (Sole Proprietors Only):</p> <p>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.

FILED IN NMLS	ATTACHED	NOT APPLICABLE	ARIZONA COMMERCIAL MORTGAGE BROKER
<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] Organizational Chart – Description. • 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.

IMPORTANT: You should review the statutes (Arizona Revised Statutes Title 6, Chapter 9, Article 1) and rules (Arizona Administrative Code Title 20, Chapter 4) for Mortgage Brokers. 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.

FILED IN NMLS	ATTACHED	NOT APPLICABLE	ARIZONA COMMERCIAL MORTGAGE BROKER
			<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>

Notice to Applicants
Effective July 3, 2015:

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.