



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

FACT SHEET FOR H.B. 2010

banking; licensing; fees

Purpose

Makes various licensure and fee changes for consumer lenders, mortgage brokers, mortgage bankers, commercial mortgage bankers and real estate appraisal licensees or certificate or permit holders.

Background

The Department of Insurance and Financial Institutions (DIFI) licenses and authorizes the transaction of insurance business by insurers, producers and other enterprises and regulates state-chartered financial entities, including sales finance companies, consumer lenders, mortgage bankers, commercial mortgage banker, mortgage brokers and real estate appraisal entities. The Deputy Director of DIFI (Deputy Director) has the authority and responsibility for the discharge of all duties of the Financial Institutions Division ([A.R.S. Title 6](#)).

A person may not engage in the business of a consumer lender or premium finance company without first being licensed by DIFI. A person who is not specifically exempted and who advertises for or solicits to finance premiums or enter into or acquire premium finance agreements is presumed to be engaged in the business as a premium finance company. A premium finance company licensee may not establish a branch office without first obtaining a branch office permit from the Deputy Director. Each license or branch permit applicant must submit an application in writing, under oath, on a Deputy Director-prescribed form. At the time of filing an application, an applicant must pay the statutorily prescribed fee. By June 30, each consumer lender licensee may annually obtain a license renewal by filing an application and paying the prescribed fee. Before December 31, each premium finance company licensee may annually obtain a renewal of a license or branch office permit by paying the prescribed fee ([A.R.S. § 6-603](#) and [6-1402](#)).

A person may not act as a mortgage broker if the person is not licensed. A person who brokers only commercial mortgage loans must obtain either a mortgage broker license or a commercial mortgage broker license. A person who brokers residential mortgage loans must obtain a mortgage broker license. A person must apply for a license or for a renewal of a license in writing on the Deputy Director-prescribed forms. The nonrefundable application fee must accompany each application for an original license only. An applicant for a mortgage broker, mortgage banker and commercial mortgage banker license must meet specific outlined criteria in order to be licensed ([A.R.S. § 6-903](#); [6-943](#); and [6-973](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

Consumer Lenders and Premium Finance Companies

1. Specifies that a consumer lender license or premium finance company license or permit that is not suspended, revoked or terminated remains active until the license expires.
2. Requires a consumer lender licensee to annually apply for renewal, as prescribed by the Deputy Director, and pay the prescribed renewal fee by June 30.
3. Requires a premium finance company licensee or permittee to annually apply for renewal, as prescribed by the Deputy Director, and pay the prescribed renewal fee by December 31.
4. Prohibits the holder of an expired consumer lender license or premium finance company license or permit from being issued a renewal license.
5. Requires a consumer lender and premium finance company applicant to pay a \$25 late fee, in addition to the prescribed fee, for each day after the renewal due date that the renewal application is not received by the Deputy Director.
6. Prohibits a consumer lender licensee and premium finance company licensee, if the Deputy Director does not receive the licensee's renewal application and fee by the due date, from acting as a licensee until the license is renewed or a new license is issued.
7. Stipulates that a consumer lender license automatically expires if the Deputy Director does not receive the licensee's renewal application and fee by July 31.
8. Stipulates that a premium finance company license or permit automatically expires if the Deputy Director does not receive the licensee's or permittee's renewal application and fee by January 31.

Mortgage Brokers, Mortgage Bankers and Commercial Mortgage Bankers

9. Increases, from two to four, the number of times a mortgage broker applicant may test within a 12-month period to obtain a mortgage broker license.
10. Removes the authorization for a mortgage broker, mortgage banker or commercial mortgage banker licensee that operates two or more licensed businesses within Arizona to maintain business records outside of Arizona.
11. Requires a mortgage broker, mortgage banker and commercial mortgage banker licensee that maintains records within Arizona, rather than licensees that maintain records outside of Arizona, to make records available to the Deputy Director within three days after demand.
12. Removes the requirement that the Deputy Director approve a mortgage banker and mortgage broker licensee that uses a computer or mechanical recordkeeping system to not keep a written copy of the records.

Real Estate Appraisal Licensee or Certificate Holder

13. Allows a real estate appraisal licensee or certificate holder to apply for license renewal within 30 days before the license or certificate expires.
14. Removes the requirement that the Deputy Director must collect a \$5 fee for a duplicate property tax agent registration certificate.

Miscellaneous

15. Allows the Deputy Director to use the Nationwide Mortgage Licensing System for all aspects of licensure.
16. Removes the requirement that a notice from a loan originator's employing entity must contain a request for the loan originator's license and be dated, signed and notarized.
17. Removes the requirement that the Deputy Director, on receipt of the license request, forward the loan originator's license to the employing entity.
18. Delays the debt management company license renewal date to June 30, rather than June 15.
19. Makes technical and conforming changes.
20. Becomes effective on the general effective date.

House Action

COM	1/17/23	DPA	10-0-0-0
3 rd Read	2/20/23	DPA	56-0-4

Prepared by Senate Research

March 1, 2023

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