



ARIZONA HOUSE OF REPRESENTATIVES

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HB 2010: banking; licensing; fees

Sponsor: Representative Livingston, LD 28

Transmitted to the Governor

Overview

Establishes a late fee for a consumer lender and premium finance company license renewal. Removes restrictions relating to where a mortgage broker, mortgage banker and commercial mortgage banker maintains records. Requires dental insurers to annually submit a dental loss ratio report to DIFI.

History

A person cannot engage in the business of advertising or soliciting to procure or make a consumer lender loan without first obtaining a consumer lender license. The term of the license begins on July 1 and ends on June 30 of each year. A licensee may obtain a license renewal by submitting the renewal application and paying the renewal fee by June 30 ([A.R.S. §§ 6-601, 6-603, 6-604](#)).

A *premium finance company* is a person engaged in part or in whole in the business of financing insurance premiums, entering into premium finance agreements with insureds or otherwise acquiring premium finance agreements from insurance producers or other premium finance companies. A person is prohibited from engaging in the business of a premium finance company without first obtaining a license. The term of the license year begins on January 1 and ends on December 31. In order to renew a license, licensees must submit a renewal application and the required renewal fee by December 31 ([A.R.S. §§ 6-1401, 6-1402, 6-1405](#)).

Statute permits, after notifying the Deputy Director of the Department of Insurance and Financial Institutions (DIFI), a mortgage broker, mortgage banker or commercial mortgage banker, who operates two or more licensed places of businesses, to maintain records at their principal place of business in this state. Additionally, with approval of the deputy director of DIFI, they may maintain records outside this state ([A.R.S. §§ 6-906, 6-946, 6-983](#)).

Provisions

Consumer Lender License

1. Clarifies that a consumer lender license remains active until it either expires or is suspended, revoked or terminated by the Director of DIFI. (Sec. 2)
2. Requires a consumer lender licensee to apply for and pay the renewal fee by June 30 each year. (Sec. 2)
3. Includes a late fee of \$25 for each day after June 30 that a renewal application is not received by the Deputy Director of DIFI. (Sec. 2)
4. Prohibits a licensee from acting as a consumer lender until the license is renewed or a new license is issued. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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5. Stipulates the license automatically expires if the Deputy Director of DIFI does not receive the renewal application and fee by July 31. (Sec. 2)
6. Prevents an expired license from being renewed and allows for the issuance of a new license. (Sec. 2)

Premium Finance Company License

7. Clarifies that a premium finance company license or permit remains active until it either expires or is suspended, revoked or terminated by the Director of DIFI. (Sec. 10)
8. Requires a premium finance company licensee or permit holder to apply for and pay the renewal fee by December 31 each year. (Sec. 10)
9. Includes a late fee of \$25 for each day after December 31 that a renewal application is not received by the Deputy Director of DIFI. (Sec. 10)
10. Prohibits a licensee or permit holder from acting as a premium finance company or branch office until the license or permit is renewed or a new license or permit is issued. (Sec. 10)
11. Stipulates the license or permit automatically expires if the Deputy Director of DIFI does not receive the renewal application and fee by January 31. (Sec. 10)
12. Prevents an expired license or permit from being renewed and allows for the issuance of a new license or permit. (Sec. 10)

Miscellaneous

13. Allows the Deputy Director of DIFI to use the nationwide mortgage licensing system and registry for all aspects of licensure relating to financial institutions, collection agencies and sales finance companies. (Sec. 1)
14. Extends the deadline for applying for a debt management company license renewal, and obtaining a license renewal without an investigation, from June 15 to June 30 of each year. (Sec. 3, 4)
15. Removes language relating to restrictions as to where a mortgage broker, mortgage banker and commercial mortgage banker may maintain records. (Sec. 5, 7, 8)
16. Increases the cap on the number of tests, from two to four, an applicant for a mortgage broker license may take within a 12-month period. (Sec. 6)
17. Removes the approval requirement for a licensee that uses a computer or mechanical record keeping system to not keep a written copy of records. (Sec. 7)
18. Removes the requirement for a mortgage broker, banker, consumer lender or registered exempt person to request a loan originator's license. (Sec. 9)
19. Eliminates the requirement for DIFI to send the loan originator's license to the loan originator's employer. (Sec. 9)
20. Removes the requirement for DIFI to prepare an annual report on the medical loss ratio for each Arizona dental insurer. (Sec. 11)
21. Requires, beginning July 1, 2024, an Arizona dental insurer to annually file a dental loss ratio report for the preceding calendar year with DIFI by July 1. (Sec. 11)
22. Prescribes information which must be included in the dental loss ratio report. (Sec. 11)
23. Instructs DIFI to post the reported dental loss ratios for each dental insurer on its website by August 1 of each year. (Sec. 11)

24. Prohibits DIFI from posting the underlying claims, premiums and other data used to calculate the dental loss ratios. (Sec. 11)
25. Provides definitions of pertinent terms relating to the annual dental loss ratio report. (Sec. 11)
26. Changes the deadline for collection agencies renewal applications from January 1 to December 31. (Sec. 12)
27. Modifies the real estate appraiser license or certificate renewal period by removing the 30 days after the expiration date grace period. (Sec. 13)
28. Removes the \$5 fee for a duplicate registration certificate for property tax agents. (Sec. 14)
29. Makes technical changes. (Sec. 1, 3, 5, 6, 8, 9, 10)