



AZ Mortgage Broker Responsible Individual - Certificate of Exemption New Application Checklist (Company)

CHECKLIST SECTIONS

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GENERAL INFORMATION

Who Is Required to Have This Certificate of Exemption?

Mortgage broker entity applicants who wish to obtain approval for a nonresident responsible individual.

(ARS § 6-903(H))

Activities Authorized Under This License

This license authorizes the following activities...

- Allows a mortgage broker to use a nonresident responsible individual.

Pre-Requisites for License Applications

- None

The Arizona Department of Insurance and Financial Institutions (AZ-DIFI) does not issue paper licenses for this license type.

Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.

- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

Agency Contact Information

Contact [AZ-DIFI](#) licensing staff by phone at [602-771-2800](tel:602-771-2800) or send your questions via email 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 NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	AZ Mortgage Broker Responsible Individual - Certificate of Exemption	Submitted via...
<input type="checkbox"/>	AZ-DIFI License/Registration Fee: \$0 Application Fee: \$300.00 NMLS Initial Processing Fee: \$100	NMLS (Filing submission)
<input type="checkbox"/>	FBI Criminal Background Check for MU2 Individual: \$36.25 per person.	NMLS (Filing submission)

REQUIREMENTS COMPLETED IN NMLS

Complete	AZ Mortgage Broker Responsible Individual - Certificate of Exemption	Submitted via...
<input type="checkbox"/>	Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.	NMLS

Note	<p>Requirements of the parent company of the mortgage broker or commercial broker:</p> <ul style="list-style-type: none"> • Must maintain a physical presence in Arizona. • Have not been a subject of, or entered into, any disciplinary actions with the Arizona Department of Insurance and Financial Institutions. • Have a class of securities registered with the United States Securities and Exchange Commission (SEC). <p>The PARENT COMPANY will pay all applicable fees associated with the request for a certification of exemption.</p>	NMLS
<input type="checkbox"/>	<p>SEC securities registration:</p> <p>Under the “Additional Documents” section in “Documents Uploads” upload a copy of the registration statement filed with the SEC when the class of securities were offered. This document should be named [Parent Company Legal Name] Securities Registration Statement.</p>	NMLS
<input type="checkbox"/>	<p>EXEMPTION REQUEST FORM L-PCEX:</p> <p>Under the “additional documents” section in “documents uploads” upload a copy of form L-PCEX. This document should be named [parent company legal name] form L-PCEX.</p>	NMLS
<input type="checkbox"/>	<p>Resident/Registered Agent: The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>Parent company Arizona address</p> <p>If the address listed on NMLS for the parent company is not the same as the AZ physical location of the parent company, under the “Additional Documents” section in “Documents Uploads” upload a written statement disclosing the AZ physical location of the parent company.</p>	NMLS
<input type="checkbox"/>	<p>Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p> <p>1. Primary Company Contact</p>	NMLS
Note	<p>Non-Primary Contact Employees: AZ-DIFI does not require any non-primary contacts to be listed in the <i>Contact Employees</i> section of the Company Form (MU1).</p>	N/A
Note	<p>Bank Account: Bank account information is not required. The <i>Bank Account</i> section of the Company Form (MU1) can be left blank.</p>	N/A
<input type="checkbox"/>	<p>Disclosure Questions: Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2).</p> <p>See the Company Disclosure Explanations Quick Guide for instructions.</p>	<p>Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).</p>

<p>Note</p>	<p>Qualifying Individual: The person who you are requesting an exemption of residency for and who will be the Responsible Individual for the mortgage broker or commercial mortgage broker must be listed as the Qualifying Individual on NMLS for Arizona.</p> <p><u>THE RESPONSIBLE INDIVIDUAL MUST:</u></p> <ul style="list-style-type: none"> • Be an officer, director, member, partner, employee or trustee of the mortgage broker or commercial mortgage broker OR an employee of an affiliated entity or the parent company of the mortgage broker or commercial mortgage broker. An employee does not include an independent contractor. (ARS § 6-903(H)) • Be in active management of the activities of the applicant in this state during the entire period of designation as the RI on the registration. (ARS § 6-903(H)) • Have received approval from AZ-DIFI for an exemption of the residency requirement. (ARS § 6-903(H)) • RI Experience: <ul style="list-style-type: none"> ○ Mortgage Brokers: Have not less than three years' experience as a mortgage broker or loan originator or equivalent lending experience in a related business during the five years immediately preceding the time of application. (ARS § 6-903(C)(1)) Refer to AAC R20-4-906 ○ Mortgage Bankers: Have not less than three years' 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. (ARS § 6-903(D)(1)) AND; Have made in the past or intend to make or negotiate or offer to make or negotiate commercial mortgage loans. (ARS § 6-903(D)(2)). • Have satisfactorily completed a course of study approved by the deputy director during the three years immediately preceding the time of application. (ARS § 6-903(C)(2)). • Have passed the Arizona mortgage broker's test. (ARS § 6-903(C)(3)) • The examination and course of study requirements shall be waived for an RI who, within the six months immediately prior to the submission of the application, has been a licensee or a responsible person pursuant to this chapter. (ARS § 6-903(U)) <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 AZ-DIFI as they relate to the licensee, and other applicable laws and rules; and has sufficient authority to ensure compliance.</p> <p>Note: The Responsible Individual will be required to complete 12 hours of continuing education (CE) relating the mortgage industry prior to renewal each year. 8 hours of Loan Originator CE can be applied towards the 12 hour</p>	<p>NMLS</p>
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	requirement. Completion certificates should be uploaded under “Verification of Experience” in the “Document Uploads” section of the Form MU2.	
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<p>Note</p>	<p><u>Equivalent and Related Experience</u></p> <p>A. An applicant may satisfy the three years' experience requirement of A.R.S. § 6-903 by the types of lending-related experience listed in this subsection. The Department counts each month in the following types of work experience toward the three years required for a mortgage broker license, under A.R.S. § 6-903(B), or as a responsible individual, under A.R.S. § 6-903(E). The Department counts a fractional month of experience, at least 15 days long, as a full month.</p> <ol style="list-style-type: none"> 1. Mortgage broker with an Arizona license, responsible individual, or branch manager for a licensee; 2. Mortgage banker with an Arizona license, responsible individual, or branch manager for a licensee; 3. Loan officer with responsibility primarily for loans secured by lien interests on real property; 4. Lender's branch manager with responsibility primarily for loans secured by lien interests on real property; 5. Mortgage broker with license from another state, or responsible individual for a mortgage broker licensed in another state; 6. Mortgage banker with license from another state, or responsible individual for a mortgage banker licensed in another state; 7. Attorney certified by any state as a real estate specialist. <p>B. An applicant with insufficient actual experience of the types listed in subsection (A) may satisfy the remainder of the three years' experience requirement of A.R.S. § 6-903 by the types of related experience listed in this subsection. The Department counts each month in the following types of work experience according to the ratio listed below, of actual experience to equivalent experience, credited towards qualifying for a license, under A.R.S. § 6-903(B), or as a responsible individual, under A.R.S. § 6-903(E). The Department counts a fractional month of experience, at least 15 days long, as a full month. An applicant receives credit in only one area listed and for not more than three years' actual experience. The remaining years of experience required to qualify for a license shall be obtained from types of work experiences listed in subsection (A).</p> <ol style="list-style-type: none"> 1. Attorney without state bar certified real estate specialty...3:2 2. Paralegal with experience in real estate matters...3:2 3. Loan underwriter ...3:2 4. Mortgage broker or mortgage banker from another state without license...3:2 5. Real estate broker with an Arizona license or license from a state with substantially equivalent licensing requirements...3:2 6 Escrow officer ...3:2 7. Trust officer with a title company...3:2 	
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	<p>8. Executive, supervisor, or policy maker involved in administering or operating a mortgage-related business...3:1.5</p> <p>9. Title officer with a title company...3:1.5</p> <p>10. Real estate broker, not qualified under subsection (B)(5)...3:1.5</p> <p>11. Loan processor with responsibility primarily for loans secured by lien interests on real property...3:1.5</p> <p>12. Lender's branch manager with responsibility primarily for loans not secured by lien interests on real property...3:1.5</p> <p>13. Real property salesperson with an Arizona license or a license from a state with substantially equivalent licensing requirements...3:1</p> <p>14. Loan officer, with responsibility primarily for loans not secured by lien interests on real property...3:1</p>	
<input type="checkbox"/>	<p>Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).</p>	NMLS
Note	<p>Credit Report: Individuals in a position of control are NOT required to authorize a credit report through NMLS.</p>	N/A
<input type="checkbox"/>	<p>MU2 Individual FBI Criminal Background Check Requirements: The following Individuals, as specified below, on the Company Form (MU1) are required to authorize a FBI criminal background check (CBC) through NMLS.</p> <p><i>Qualifying Individuals</i></p> <ul style="list-style-type: none"> The responsible individual that is requesting a waiver of residency status. <p>After authorizing a FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.</p> <p>See the Criminal Background Check 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 background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p>	NMLS

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	AZ Mortgage Broker Responsible Individual - Certificate of Exemption	Submitted via...
<div> <div></div> </div>	<p>Formation Documents: Determine classification of applicant's legal status and submit a State certified copy of the requested applicable documentation detailed below. Original formation documents and all subsequent amendments, thereto including a list of any name changes.</p> <p>General Partnership:</p> <ul style="list-style-type: none"> Partnership Agreement (including all amendments). <p>Limited Liability Partnership:</p> <ul style="list-style-type: none"> Certificate of Limited Liability Partnership; and Partnership Agreement (including all amendments). <p>Limited Partnership:</p> <ul style="list-style-type: none"> Certificate of Limited Partnership; and Partnership Agreement (including all amendments). <p>Limited Liability Limited Partnership:</p> <ul style="list-style-type: none"> Certificate of Limited Liability Limited Partnership; and Partnership Agreement (including all amendments). <p>Limited Liability Company ("LLC"):</p> <ul style="list-style-type: none"> Articles of Organization (including all amendments); Operating Agreement (including all amendments); IRS Form 2553 or IRS Form 8832 if S-corp treatment elected; and LLC resolution if authority not in operating agreement. <p>Corporation:</p> <ul style="list-style-type: none"> Articles of Incorporation (including all amendments); By-laws (including all amendments), if applicable; Shareholder Agreement (including all amendments), if applicable; IRS Form 2553 if S-corp treatment elected; and Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable. <p>Not for Profit Corporation</p> <ul style="list-style-type: none"> Documents requested of a Corporation; and Proof of nonprofit status <ul style="list-style-type: none"> Internal Revenue Service ("IRS") 501(c)(3) designation letter; or statement from a State taxing body or the State attorney general certifying that: (i) the entity is a nonprofit organization operating within the State; and (ii) no part of the entity's net earnings may lawfully benefit any private shareholder or individual; or entity's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or Any of the three preceding items described, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate. 	<p>Upload in NMLS: under the Document Type <u>Formation Document</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p> <p>This document should be named <i>Formation Documentation [Date of Creation (MM-DD-YYYY)]</i>.</p>

<input type="checkbox"/>	<p>Organizational Chart/Description: Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the applicant/licensee <p>This document should be named <i>[Company Legal Name] Organizational Chart – Description</i>.</p> <p>Note: If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under the Document Type <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<p>Note</p>	<p>IMPORTANT: Please review Arizona Revised Statutes Title 6, Chapter 9, Article 1 and Arizona Administrative Code Title 20, Chapter 4 for Certificate of Exemption – RI. The statutes and rules provide definitions, licensing requirements and licensing exemptions. We have a link to the statutes and rules on our website at www.difi.az.gov. You may also click on the word <u>statute</u> or <u>rules</u> to link you directly to them.</p>	
<p>INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS</p>		
<input type="checkbox"/>	<p>Verification of Experience: For the Responsible Individual/Qualifying Individual described above, provide letters, on company letterhead, from current and/or past employers. The letters must provide a job description and dates, month/day/year, of employment.</p> <p>Upload in NMLS under the Document Type <u>Verification of Experience</u> in the <i>Document Uploads</i> section of the Individual Form (MU2). This document should be named <i>[Document Type] – Responsible Individual Name</i></p> <p>Note: W2's, resumes, personal references or education is not proof of job experience..</p>	<p>Upload in NMLS: under the Document Type <u>Verification of Experience</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>

<p>REQUIREMENTS SUBMITTED OUTSIDE OF NMLS</p>		
<p>Complete</p>	<p>AZ Mortgage Broker Responsible Individual - Certificate of Exemption</p>	<p>Submitted via...</p>
<p>No items are required to be submitted outside of NMLS for this license/registration at this time.</p>		

In accordance with [A.R.S. §41-1030](#)

- 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.
- This statute does not abrogate the immunity provided by [A.R.S. §12-820.01](#) or [A.R.S. §12-820.02](#).