ARIZONA MORTGAGE LOAN ORIGINATOR LICENSE

Who is required to have this license? See A.R.S. Section 6-991

A natural person who for compensation or gain or in the expectation of compensation or gain does any of the following:
(a) Takes a residential mortgage application.
(b) Offers or negotiates terms of a residential mortgage loan.
(c) On behalf of a borrower, negotiates with a lender or note holder to obtain a temporary or permanent modification in an existing residential mortgage loan agreement.

Who does not need this license? See A.R.S. Section 6-991.01

1. Registered loan originators.
2. An individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that served as the individual’s residence.
3. A person who is a responsible individual and who does not act as a loan originator.
4. An employee of a licensed commercial mortgage banker or commercial mortgage broker.
5. An employee of a person licensed pursuant to A.R.S. Title 6, Chapter 9 if the licensee affirms in writing to the superintendent that the licensee will not originate or negotiate a mortgage loan that has a security in the form of a residential dwelling of one to four units.
6. A person who, as seller of real property, receives one or more mortgages or deeds of trust as security for a purchase money obligation.
7. A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney’s representation of the client, unless the attorney is compensated by a lender, a mortgage broker or any other loan originator or by any agent of the lender, mortgage broker or other loan originator.
8. An individual who offers to negotiate terms of a residential mortgage loan with or on behalf of the individual’s immediate family member and who does not otherwise engage in the business of a loan originator.
9. A manufactured home retailer and its employees if performing only clerical or support duties in connection with the sale or lease of a manufactured home and the manufactured home retailer and its employees receive no compensation or other gain from a mortgage banker or a mortgage broker for the performance of the clerical or support duties.
10. An individual who is employed by a residential mortgage loan servicer if the individual is involved solely in loss mitigation efforts, unless the United States Department of Housing and Urban Development determines that the Secure and Fair enforcement for Mortgage Licensing Act of 2008 (p.l. 110-289; 122 stat. 2810; 12 United Stated code sections 5101–5116) requires the individual to be licensed as a mortgage loan originator. For the purposes of this paragraph, “loss mitigation efforts” means a residential mortgage borrower is in default or default is reasonable foreseeable and an individual works with the borrower on behalf of the residential mortgage loan servicer to modify temporarily or permanently the obligation or to otherwise mitigate loss on an existing residential mortgage loan.
Pre-requisites for license applications?

**Education**

As part of the mortgage loan originator application process, a mortgage loan originator who will originate Arizona residential mortgage loans and/or modifications must complete 20 units of Arizona pre-licensing education prior to licensure. Documentation on the course(s) taken must be sent to AzDFI and include the course and units taken. The 20 units pre-licensing course of study shall include:

- Federal Law – 3 units
- Ethics – 3 units
- Non-traditional mortgage products – 2 units
- Arizona mortgage related law (i.e. tile, appraisal, real estate, etc… as it relates to mortgage industry) – 4 units
- Any other mortgage related courses that contribute to the maintenance and improvement of professional competence – 8 units (i.e. FHA, VA, Appraisal, etc…)

**Testing – Effective July 15, 2015**

All mortgage loan originators must pass the National Test Component with Uniform State Content. Mortgage loan originators must pass with a score of 75% or higher. Please go to the Testing Page of the NMLS Resource Center web site for test enrollment information and the Testing Handbook at: [http://www.stateregulatoryregistry.org/AM/Template.cfm?Section=Testing](http://www.stateregulatoryregistry.org/AM/Template.cfm?Section=Testing)

**Surety Bond/Recovery Fund**

Every mortgage loan originator must be covered under a surety bond or recovery fund. Satisfaction of this requirement can be met by one of the following:

(a) Mortgage loan originator to pay $100.00 into the recovery fund at time of application.
(b) Employer may provide evidence of a surety bond that meets Arizona requirements in amount of not less than $200,000.00. This is in addition to the bond that the employer is required to have for its mortgage broker or mortgage banker license.

**Criminal History**

Applicant may not have been convicted of a felony during the seven year period immediately preceding the date of the application or any crime of breach of trust or dishonesty, fraud or money laundering at any time preceding the date of the application.

**Issuance and Location of License  See A.R.S Section 6-991.04**

AzDFI will forward the mortgage loan originator’s license to the employing mortgage broker, mortgage banker or consumer lender once the following has occurred:

1. AzDFI has determined that the applicant is qualified and paid the required fees.
2. AzDFI has received a Sponsorship request through NMLS if the mortgage loan originator is employed by a mortgage broker or mortgage banker.
3. AzDFI has received a written notice that the employer has hired the mortgage loan originator if the mortgage loan originator is employed by a licensed consumer lender. The notice shall contain a request for the mortgage loan originator’s license and shall be dated, signed by an officer or other person authorized by the employer, and notarized.
The employing mortgage banker, mortgage broker or consumer lender shall keep and maintain the originator’s license at the principal place of business in Arizona.

Within five business days after any licensee’s employment termination, the employing mortgage broker, mortgage banker or consumer lender shall do the following:

1. File a Sponsorship removal through NMLS if a mortgage banker or mortgage broker.
2. Provide a written notice of the termination of employment if a consumer lender.

ALL LICENSING AND PROCESSING FEES COLLECTED ARE NOT REFUNDABLE.

WHO TO CONTACT – Contact the Arizona Loan Originator Licensing Dept. staff at (602) 771-2800 or send your questions via email at LOlicensing@azdfi.gov.