House Engrossed

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

HOUSE BILL 2312

AN ACT

AMENDING SECTIONS 6-126, 6-604, 6-707, 6-709, 6-813, 6-838, 6-904, 6-944, 6-977, 6-979, 6-981, 6-991.04, 6-1207, 6-1255, 6-1259, 6-1405 AND 20-142, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 6-126, Arizona Revised Statutes, is amended to read:

6-126. Application fees for financial institutions and enterprises

A. The following nonrefundable fees are payable to the department with the filing of the following applications:
1. To apply for a banking permit, one thousand dollars $1,000.
2. To apply for an amendment to a banking or savings and loan association permit, one thousand dollars $1,000.
3. To establish each banking branch office, seven hundred fifty dollars $750.
4. To move a banking office to other than an established office of a bank, one thousand dollars $1,000.
5. To apply for a savings and loan association permit, five thousand dollars $5,000.
6. To establish each savings and loan association branch office, one thousand five hundred dollars $1,500.
7. To move an office of a savings and loan association to other than an established office, one thousand dollars $1,000.
8. To organize and establish a credit union, one hundred dollars $100.
9. To establish each credit union branch or to move a credit union office to other than an established office of a credit union, two hundred fifty dollars $250.
10. To organize and establish any other financial institutions for which an application or investigation fee is not otherwise provided by law, one thousand dollars $1,000.
11. To acquire control of a financial institution other than a consumer lender, five thousand dollars $5,000.
12. To apply for a trust company license, one thousand dollars $1,000.
13. To apply for a commercial mortgage banker, mortgage banker, escrow agent or consumer lender license, one thousand dollars $1,000.
14. To apply for a mortgage broker, commercial mortgage broker, sales finance company or debt management company license, five hundred dollars $500.
15. To apply for a collection agency license, one thousand five hundred dollars $1,500.
16. To apply for a deferred presentment company license, one thousand dollars $1,000.
17. To apply for a branch office of an escrow agent, consumer lender, commercial mortgage banker, mortgage banker, trust company, money transmitter, collection agency or deferred presentment company, five hundred dollars $500.
18. To apply for a branch office of a mortgage broker, commercial mortgage broker, debt management company or sales finance company, **two hundred fifty dollars $250.**

19. To apply for approval of the articles of incorporation of a business development corporation, **five hundred dollars $500.**

20. To apply for approval for the merger or consolidation of two or more financial institutions, **five thousand dollars $5,000 per institution.**

21. To apply for approval to convert from a national bank or federal savings and loan charter to a state chartered institution, **one thousand dollars $1,000.**

22. To apply for approval to convert from a federal credit union to a state chartered credit union, **five hundred dollars $500.**

23. To apply for approval to merge or consolidate two or more credit unions, **five hundred dollars $500 per credit union.**

24. To move an established office of an enterprise to other than an established office, **fifty dollars.**

25. To issue a duplicate or replace a lost enterprise's license, **one hundred dollars.**

26. To change a responsible person on a mortgage broker's, commercial mortgage broker's, commercial mortgage banker's or a mortgage banker's license, **two hundred fifty dollars $250.**

27. To change an active manager on a collection agency license or a manager of a money transmitter branch office license, **two hundred fifty dollars $250.**

28. To change the licensee name on a financial institution or enterprise license, not more than **two hundred fifty dollars $250.**

29. To apply for a money transmitter license, **one-thousand five hundred dollars $1,500 plus twenty-five dollars $25 for each branch office and authorized delegate to a maximum of four thousand five hundred dollars $4,500.**

30. To acquire control of any money transmitter or controlling person pursuant to chapter 12 of this title, **two thousand five hundred dollars $2,500.**

31. To receive the following publications:
   (a) Quarterly bank and savings and loan statement of condition, not more than **ten dollars $10 per copy.**
   (b) Monthly summary of actions report, not more than **five dollars $5 per copy.**
   (c) A list of licensees, a monthly pending actions report and all other in-house prepared reports or listings made available to the public, not more than **one-dollar $1 per page.**

32. To apply for a loan originator license, an amount to be determined by the superintendent.

33. To apply for a loan originator license transfer, an amount to be determined by the superintendent.
34. 32. To apply for a conversion from a mortgage banker license to a mortgage broker license, an amount to be determined by the superintendent.

B. On issuance of a license or permit for a financial institution or enterprise, the superintendent shall collect the first year's annual assessment or renewal fee for the financial institution or enterprise prorated according to the number of quarters remaining until the date of the next annual assessment or renewal.

C. The following annual renewal fees shall be paid each year:

1. For an escrow agent or trust company, one thousand dollars $1,000 plus two hundred fifty dollars $250 for each branch office.

2. For a debt management company or sales finance company, five hundred dollars $500 plus two hundred dollars $200 for each branch office.

3. For a collection agency, six hundred dollars $600 plus two hundred dollars $200 for each branch office.

4. For an inactive mortgage broker or commercial mortgage broker, two hundred fifty dollars $250.

5. For a mortgage banker that negotiates or closes in the aggregate one hundred loans or less in the immediately preceding calendar year, seven hundred fifty dollars $750, and for a mortgage banker that negotiates or closes in the aggregate over one hundred loans in the immediately preceding calendar year, one thousand two hundred fifty dollars $1,250. In addition, a mortgage banker shall pay two hundred fifty dollars $250 for each branch office.

6. For a commercial mortgage banker, one thousand two hundred fifty dollars $1,250. In addition, a commercial mortgage banker shall pay two hundred fifty dollars $250 for each branch office.

7. For a mortgage broker or commercial mortgage broker that negotiates or closes in the aggregate fifty loans or less in the immediately preceding calendar year, two hundred fifty dollars $250, and for a mortgage broker or commercial mortgage broker that negotiates or closes in the aggregate more than fifty loans in the immediately preceding calendar year, five hundred dollars $500. In addition, a mortgage broker or commercial mortgage broker shall pay two hundred dollars $200 for each branch office.

8. For a consumer lender, one thousand dollars $1,000 plus two hundred dollars $200 for each branch office.

9. For a money transmitter, five hundred dollars $500 plus twenty-five dollars $25 for each branch office and each authorized delegate to a maximum of two thousand five hundred dollars $2,500.

10. For a deferred presentment company, four hundred dollars $400. In addition, a deferred presentment company shall pay two hundred dollars $200 for each branch office.

11. For a loan originator, an amount to be determined by the superintendent.
12. For an inactive status loan originator, an amount to be determined by the superintendent.

D. The license, renewal or branch office permit fee for a premium finance company for each calendar year or part of a calendar year shall not be less than one hundred dollars $100 or more than three hundred dollars $300 as set by the superintendent. If the license is issued or the branch office is opened after June 30 in any year, the fees shall not be less than fifty dollars $50 or more than one hundred fifty dollars $150 for that year.

Sec. 2. Section 6-604, Arizona Revised Statutes, is amended to read:

6-604. Issuance of license; license year; requirements
A. If the superintendent finds no grounds for denial of a license, within one hundred twenty days after receiving a complete application, the superintendent shall grant the application and issue a license to the applicant.

B. The license year for a licensee begins on July 1 and ends on June 30 of each year.

C. All licenses issued remain in full force until surrendered, revoked or suspended.

D. A license remains the property of this state. On termination at the request of the licensee or revocation by the superintendent, the licensee shall immediately deliver the license to the superintendent. Termination of the license does not affect any other liability of the licensee.

E. D. The licensee shall designate the principal location of the licensed office within or outside this state. If a licensee wishes to maintain more than one office location the licensee shall first obtain a branch office license for each branch office from the superintendent. The licensee shall submit an application in the form prescribed by the superintendent and pay the fee prescribed in section 6-126 for each branch office license. If the superintendent determines that the applicant is qualified, the superintendent shall issue a branch office license indicating the address of the branch office.

F. A licensee shall prominently display the consumer lender license in the office of the consumer lender and any branch office license in that branch office.

Sec. 3. Section 6-707, Arizona Revised Statutes, is amended to read:

6-707. Issuance of license; cancellation on termination
A. Upon the filing of the application and the payment of the fees and the approval of the bond, or bonds, the superintendent shall investigate the facts, and if the superintendent finds that the financial responsibility, experience, character and general fitness of the applicant are such as to command the confidence of the community to
warrant belief that the business will be operated fairly and honestly and within the purposes of this article, the superintendent shall issue the applicant a license to do business as a debt management company.

8. The license shall be kept conspicuously posted in the business office of the licensee. The license shall not be transferable or assignable.

C. Licenses shall expire on June 30 following the date of the issuance unless sooner surrendered, revoked or suspended, but may be renewed by filing an application with the superintendent on or before June 15 each year. The application for renewal shall be in the form prescribed by the superintendent and shall be accompanied by the fee prescribed in section 6-126. A separate application shall be made for each initial license of a principal place of business, agency or branch office.

Sec. 4. Section 6-709, Arizona Revised Statutes, is amended to read:

6-709. Requirements
A. A licensee at all times shall maintain minimum liquid assets of at least two thousand five hundred dollars $2,500 in excess of his THE LICENSEE'S business liabilities and of his THE LICENSEE'S liabilities on account of monies received in the business of a debt management company. The superintendent may determine by general rule what assets are liquid assets within the meaning of this section and may determine by specific ruling or demand that a particular asset is or is not a liquid asset within the meaning of this section.

B. A licensee shall make a written contract between himself and a debtor and immediately furnish the debtor with a copy of the completed contract. The licensee shall concurrently furnish the debtor with a list of the creditors, as of the time of the signing of the contract, with whom the THE LICENSEE agrees to manage the debtor's obligations. All contracts shall contain a provision allowing the termination of the contract by either party at any time. Such A termination shall be without penalty, except that the licensee shall retain the retainer fee if the termination is by the debtor. Termination shall only be upon ONLY ON a five-day notice to the other party.

C. The basis of fees charged to a debtor by a licensee for assuming the responsibility of debt management shall be agreed upon ON in advance and clearly stated in the contract. The fees charged to a debtor shall not exceed:

1. A retainer fee of thirty-nine dollars $39.
2. Three-quarters of one per-cent PERCENT of the total indebtedness or fifty dollars $50, whichever is less, may be charged monthly and shall be due and payable at the time such THE deposited funds MONIES are remitted to the creditors. Unusual and necessary “out-of-pocket” OUT-OF-POCKET expense items by the licensee may be charged to the debtor's
account if the incurrence of the expense has advance written approval of the debtor and superintendent.

D. The total debt shall be calculated not less often than annually and the charges adjusted based on the new total debt. Any fees charged by the licensee shall not be based on a total debt which includes a mortgage on the residence or a rent payment as a liability or a debt.

E. A licensee shall not be entitled to any fee until the LICENSEE has given notice of the debt management contract to all creditors listed in the application form.

F. A licensee shall make remittances to creditors within seven days after receipt of any funds, unless the reasonable payment of one or more of the debtor's obligations requires that such funds be held for a longer period so as to accumulate a certain sum.

G. A licensee shall, upon request, furnish the debtor with a written statement of the LICENSEE'S account each month or a verbal accounting at any time the debtor may request it during normal business hours.

H. A licensee shall, if a compromise of a debt is arranged by the licensee with any one or more creditors, allow the debtor the full benefit of that compromise.

I. A licensee shall maintain a trustee checking account in a bank in this state for the benefit of debtors in which all payments received from the debtors shall be deposited and in which all payments shall remain until disbursed by the licensee in accordance with the terms of the contract.

J. A licensee shall keep and use in his business books, accounts and records which will enable the superintendent to determine whether the licensee is complying with the provisions of this article and with the rules of the department. Each licensee shall preserve such books, accounts and records for at least three years after making the final entry on any transaction recorded in the books, accounts or records.

K. If a licensee desires to change his place of business or the name of the company under which the license is issued, the LICENSEE shall give written notice of the change within fifteen CALENDAR days to the superintendent and shall submit the license to the superintendent who shall enter an order permitting the change and who shall amend the license accordingly.

L. A licensee shall, within fifteen days after termination of a debt management company, a branch office or an agency, inform the superintendent of the name and address of such company, branch office or agency and shall surrender the license to the superintendent.

M. A licensee shall annually on or before August 15 file a report with the superintendent giving such relevant information as the superintendent may require concerning the business and operations of each
place of business during the preceding year beginning July 1 and ending
June 30. The superintendent may assess a penalty of five dollars $5 for
each day the licensee fails to file such report.

Sec. 5. Section 6-813, Arizona Revised Statutes, is amended to read:

6-813. License of agent; nontransferable
A. A person, except those exempt under section 6-811, shall not
engage in or carry on, or hold himself out as engaging in or carrying on,
the escrow business or act in the capacity of an escrow agent in this
state without first obtaining a license.
B. An escrow agent's license is not transferable or assignable and
control of a license shall not be acquired through stock purchase or other
devices without the prior written consent of the superintendent.
C. A license shall be kept conspicuously posted in all licensed
places of business of the licensee.

Sec. 6. Section 6-838, Arizona Revised Statutes, is amended to read:

6-838. Surrender of license
A licensee that desires to surrender its license shall file with the
superintendent a certified copy of the resolution of its board of
directors or a verified statement of intent signifying this desire, and
thereafter shall not accept additional escrow business. Upon receipt
of the resolution or statement of intent, the superintendent shall make an
investigation, and if he determines that the licensee has been discharged from all duties which it has
undertaken as an escrow agent, he shall issue an order
to the licensee certifying that it is no longer authorized to
exercise the powers of an escrow agent and the licensee shall immediately
surrender its license.

Sec. 7. Section 6-904, Arizona Revised Statutes, is amended to read:

6-904. Issuance of license; renewal; inactive status; branch
A. The superintendent, on determining that the applicant is
qualified and has paid the fees, shall issue a mortgage broker's license
or a commercial mortgage broker's license to the applicant, which is
evidenced by a continuous certificate. The superintendent shall grant or
deny a license within one hundred twenty days after receipt of the
completed application and fees. An applicant who has been denied a
license may not reapply for such a license before one year from the
date of the previous application.
B. For licenses approved on or before September 30, 2008, a
licensee shall pay the renewal fee on or before September 30, 2008 and on
or before December 31 for subsequent years beginning on or before December
31, 2009. Licenses not renewed by September 30, 2008 are suspended, and
the licensee shall not act as a mortgage broker or a commercial mortgage
broker until the license is renewed or a new license is issued pursuant to
this article. A person may renew a suspended license by paying the
renewal fee plus twenty-five dollars for each day after September 30, 2008
that a license renewal fee is not received by the superintendent and
making application for renewal as prescribed by the superintendent.
Licenses which are not renewed by October 31, 2008 expire. A license
shall not be granted to the holder of an expired license except as
provided in this article for the issuance of an original license:

C. For licenses approved on or before September 30, 2008, a
licensee may request inactive status on or before September 30, 2008 for
the following license year, and the license shall be placed on inactive
status after payment to the superintendent of the inactive status renewal
fee prescribed in section 6-126, subsection C and the surrender of the
license to the superintendent. During inactive status, an inactive
licensee is not required to maintain a bond and shall not act as a
mortgage broker or a commercial mortgage broker. A licensee may not be on
inactive status for more than two consecutive years, nor for more than
four years in any ten year period. The license is deemed expired on
violation of any of the limitations of this subsection.

D. For licenses approved after or renewed on September 30,
2008, a licensee shall pay the renewal fee on or before December
31, 2008 and on or before December 31 of each subsequent year. Licenses
not renewed by December 31 are suspended, and the licensee shall not act
as a mortgage broker or a commercial mortgage broker until the license is
renewed or a new license is issued pursuant to this article. A person may
pay a suspended license by paying the renewal fee plus twenty-five
dollars $25 for each day after December 31 that a license renewal fee is
not received by the superintendent and applying for renewal as prescribed
by the superintendent. A license that is not renewed by January 31
expires. A license shall not be granted to the holder of an expired
license except as provided in this article for the issuance of an original
license.

E. For licenses approved after or renewed on September 30,
2008, beginning in 2009 and each subsequent year, a licensee may request
inactive status for the following license year if the licensee makes the
request on or before December 31. The license shall be placed on inactive
status after the licensee pays to the superintendent the inactive status
renewal fee prescribed in section 6-126, subsection C and surrenders the
license to the superintendent. During inactive status, an inactive
license is not required to maintain a bond and shall not act as a
mortgage broker or a commercial mortgage broker. A licensee may not be on
inactive status for more than two consecutive years or for more than four
years in any ten-year period. The license expires on violation
of this subsection.
F. D. An inactive licensee may return to active status notwithstanding the requirements of section 6-903, subsections C and D by making a written request to the superintendent for reactivation and paying the prorated portion of the annual assessment that would have been charged to the licensee. The licensee shall also provide the superintendent with proof that the licensee meets all of the other requirements for acting as a mortgage broker or a commercial mortgage broker, including required bond coverage or the deposit of a cash alternative.

G. A licensee shall prominently display the mortgage broker license or commercial mortgage broker license in the office of the mortgage broker or commercial mortgage broker.

H. E. Every licensed mortgage broker and licensed commercial mortgage broker shall designate and maintain a principal place of business in this state for the transaction of business. The license shall specify the address of the licensee's principal place of business. If a licensee wishes to maintain one or more locations in addition to a principal place of business, the licensee shall first obtain a branch office license from the superintendent and designate a person for each branch office to oversee the operations of that office. The licensee shall submit a fee as set forth in section 6-126 for each branch office license. If the superintendent determines that the applicant is qualified, the superintendent shall issue a branch office license indicating the address of the branch office. The licensee shall conspicuously display the branch office license in the branch office. If the address of the principal place of business or of any branch office is changed, the licensee shall immediately notify the superintendent WITHIN FIFTEEN CALENDAR DAYS of the change and the superintendent shall endorse the change of address on the license for a fee as prescribed in section 6-126.

Sec. 8. Section 6-944, Arizona Revised Statutes, is amended to read:

6-944. Issuance of license; renewal; branch office license; application; fee

A. If the superintendent determines that the applicant has met the requirements set forth in section 6-943, subsection C, is qualified and has paid the fees, the superintendent shall issue a mortgage banker's license to the applicant evidenced by a continuous certificate. The license is not transferable or assignable. An applicant who has been denied a license may not reapply for such a license before one year FROM the date of the previous application. A person may not acquire control of a licensee through a stock purchase or other device without the prior written consent of the superintendent. Written consent shall not be given if the superintendent finds that any of the grounds for denial, revocation or suspension of a license as set forth in section 6-945 are applicable to the acquiring person. For the purposes of this subsection, "control" means the power to vote more than twenty percent of
outstanding voting shares of a licensed corporation, partnership, association or trust.

B. For licenses approved on or before March 31, 2009, a licensee shall make an application and pay the renewal fee set forth in section 6-126 on or before March 31, 2009 but not sooner than February 1, 2009 and on or before December 31 for subsequent years beginning in 2009. Licenses not renewed by March 31, 2009 are suspended, and the licensee shall not act as a mortgage banker until the license is renewed or a new license is issued pursuant to this article. A person may renew a suspended license by paying the renewal fee plus twenty-five dollars for each day after March 31, 2009 that a license renewal fee is not received by the department and making application for renewal as prescribed by the superintendent. Licenses which are not renewed by April 30, 2009 expire. A license shall not be granted to the holder of an expired license except as provided in this article for the issuance of an original license.

C. For licenses approved after or renewed on March 31, 2009, a licensee shall pay the renewal fee on or before December 31, beginning in 2009 EACH YEAR. Licenses not renewed by December 31 are suspended, and the licensee shall not act as a mortgage banker until the license is renewed or a new license is issued pursuant to this article. A person may renew a suspended license by paying the renewal fee plus twenty-five dollars for each day after December 31 that a license renewal fee is not received by the superintendent and applying for renewal as prescribed by the superintendent. Licenses that are not renewed by January 31 expire. A license shall not be granted to the holder of an expired license except as provided in this article for the issuance of an original license.

D. A licensee shall prominently display the mortgage banker license in the office of the mortgage banker.

E. Every licensed mortgage banker shall designate and maintain a principal place of business in this state for the transaction of business. The license shall specify the address of the principal place of business. If a licensee wishes to maintain one or more locations in addition to a principal place of business, the licensee shall first obtain a branch office license from the superintendent and designate a person for each branch office to oversee the operations of that office. The licensee shall submit a fee as prescribed in section 6-126 for each branch office license. If the superintendent determines that the applicant is qualified, the superintendent shall issue a branch office license indicating the address of the branch office. The licensee shall conspicuously display the branch office license in the branch office. If the address of the principal place of business or of any branch office is changed, the licensee shall notify the superintendent before WITHIN FIFTEEN CALENDAR DAYS OF the change and the superintendent shall endorse
the change of address on the license for a fee as prescribed in section 6-126.

Sec. 9. Section 6-977, Arizona Revised Statutes, is amended to read:

6-977. Advertise; using name and license number
A. A licensee shall prominently display the commercial mortgage banker license in the office of the commercial mortgage banker.
B. A licensee or an employee of the licensee shall not advertise for or solicit commercial mortgage loans in any manner without using the name and license number as issued on the commercial mortgage banker's principal place of business license, except that a licensee may employ or refer to the commonly used name and any trademarks or service marks of any affiliate. If a license is issued in the name of a natural person, nothing in the advertising or solicitation may NOT imply that the license is in the name of another person or entity. For the purposes of this subsection SECTION, “advertise” does not include business cards, radio and television advertising directed at national or regional markets and promotional items unless those items contain rates or terms on which a commercial mortgage loan may be obtained.

Sec. 10. Section 6-979, Arizona Revised Statutes, is amended to read:

6-979. Principal place of business; branch office license; change of address
A. Each licensed commercial mortgage banker shall designate and maintain a principal place of business in this state to transact business. The license shall specify the address of the principal place of business.
B. If a licensee wishes to maintain one or more locations in addition to a principal place of business, the licensee shall first obtain a branch office license from the superintendent and designate a person for each branch office to oversee the operations of that office.
C. If the superintendent determines that the licensee is qualified, the superintendent shall issue a branch office license indicating the address of the branch office. The licensee shall conspicuously display the branch office license in the branch office.
D. If the address of the principal place of business or of any branch office is changed, the licensee shall immediately notify the superintendent WITHIN FIFTEEN CALENDAR DAYS of the change and the superintendent shall endorse the change of address on the license.

Sec. 11. Section 6-981, Arizona Revised Statutes, is amended to read:

6-981. Inactive status
A. For licenses approved on or before March 31, 2009, a licensee may request inactive status for the following license year, and the
license shall be placed on inactive status after surrendering the license to the superintendent.

B. A. For licenses approved after or renewed on March 31, 2009, A licensee may request inactive status on or before December 31 of each year for the following license year, and the license shall be placed on inactive status after surrendering the license to the superintendent.

C. B. During inactive status, an inactive licensee is not required to maintain a bond and shall not act as a commercial mortgage banker.

D. C. A licensee may not be on inactive status for more than two consecutive years or for more than four years in any ten-year period. The license is deemed expired on violation of any of the limitations of this subsection.

E. D. An inactive licensee may return to active status notwithstanding section 6-973, subsection D by making a written request to the superintendent for reactivation. The licensee shall also provide the superintendent with proof that the licensee meets all of the other requirements for acting as a commercial mortgage banker, including required bond coverage or the deposit of a cash alternative.

Sec. 12. Section 6-991.04, Arizona Revised Statutes, is amended to read:

6-991.04. Issuance of license; notice from employing mortgage broker, mortgage banker or consumer lender or registered exempt person; renewal; inactive status; address change; fee

A. The superintendent, on determining that an applicant is qualified and has paid the required fees, shall issue a loan originator's license to the applicant evidenced by a continuous certificate. The superintendent shall grant or deny a license within one hundred twenty days after receiving the completed application and fees. An applicant who has been denied a license may not reapply for a license before one year from the date of the previous application.

B. On issuance of the license, the superintendent shall keep the loan originator's license until A mortgage broker or mortgage banker THAT IS licensed pursuant to this chapter or a consumer lender THAT employs the loan originator and the employer SHALL SUBMIT A SPONSORSHIP REQUEST THROUGH A NATIONWIDE MULTISTATE LICENSING SYSTEM AND REGISTRY OR ANOTHER METHOD APPROVED BY THE SUPERINTENDENT THAT provides a written notice that the employer has hired the loan originator. An exempt person who is registered pursuant to section 6-912 SHALL SUBMIT A SPONSORSHIP REQUEST THROUGH A NATIONWIDE MULTISTATE LICENSING SYSTEM AND REGISTRY OR ANOTHER METHOD APPROVED BY THE SUPERINTENDENT THAT provides a written notice that the exempt person has engaged the loan originator on an exclusive contract with the exempt person. A LOAN ORIGINATOR MAY NOT CONDUCT BUSINESS IN THIS STATE UNLESS THE DEPARTMENT HAS ACCEPTED A SPONSORSHIP REQUEST THROUGH A NATIONWIDE MULTISTATE LICENSING SYSTEM AND REGISTRY OR ANOTHER
METHOD APPROVED BY THE SUPERINTENDENT. The employer shall provide the notice before the loan originator begins working for the employer. Exempt persons who are registered pursuant to section 6-912 shall provide the notice before the loan originator begins work under the exclusive contract with the exempt person. The notice shall be from an officer or other person authorized by the employer or registered exempt person. The notice shall contain a request for the loan originator’s license and shall be dated, signed and notarized. On receipt of the request, the superintendent shall forward the loan originator’s license to the employing mortgage broker, mortgage banker, consumer lender or registered exempt person.

C. Licenses shall be issued for a one-year period.

D. A loan originator shall apply for renewal on forms prescribed by the superintendent. The application shall include original certificates evidencing the loan originator’s successful completion of eight continuing education units during the preceding one-year period by a continuing education provider approved by the superintendent.

E. A loan originator shall pay the renewal fee every year on or before December 31. Licenses not renewed by December 31 are suspended, and the licensee shall not act as a loan originator until the license is renewed or a new license is issued pursuant to this article. A person may renew a suspended license by paying the renewal fee plus a dollar amount to be determined by the superintendent for each day after December 31 that a license renewal fee is not received by the superintendent.

F. Licenses that are not renewed by January 31 of each year expire. A license shall not be granted to the holder of an expired license except as provided in this article for the issuance of an original license.

G. From December 1 through December 31 of each renewal period, a licensee may request inactive status for the following license period. The license shall be placed on inactive status after the licensee pays to the superintendent the inactive status renewal fee and surrenders the license to the superintendent. During inactive status, an inactive licensee shall not act as a loan originator. The license expires if the licensee violates this subsection.

H. At renewal, an inactive licensee may return to active status by doing all of the following:

1. Providing the superintendent with evidence that the licensee has met the requirements of section 6-991.03, subsection B.
2. Making a written request to the superintendent for reactivation.
3. Paying the annual licensing fee.
4. Providing the superintendent with proof that the licensee meets all other requirements for acting as a loan originator.

I. The mortgage broker, mortgage banker, consumer lender or registered exempt person shall keep and maintain at the principal place of business in this state the loan originator’s license during the loan
originator's employment or exclusive contract term. A copy of the loan originator's license shall be available for public inspection during regular business hours.

MORTGAGE BROKER'S, MORTGAGE BANKER'S, CONSUMER LENDER'S OR REGISTERED EXEMPT PERSON'S BEHALF AS A LOAN ORIGINATOR UNLESS THE PERSON IS LICENSED AS A LOAN ORIGINATOR BY THE SUPERINTENDENT.

J. A loan originator shall immediately notify the superintendent WITHIN FIFTEEN CALENDAR DAYS of a change in the loan originator's residence address. The superintendent shall endorse the change of address on the license for a fee to be determined by the superintendent.

K. Within five business days after any licensee's employment termination, the employing mortgage broker, mortgage banker, consumer lender or registered exempt person shall do both of the following:

1. Notify the superintendent of the licensee's termination.

2. Return the license to the superintendent.

L. An applicant for a loan originator license who is currently registered with the nationwide mortgage licensing system and registry established by the secure and fair enforcement for mortgage licensing act of 2008 (P.L. 110-289; 122 Stat. 2810; 12 United States Code sections 5101 through 5116) or its successor may be granted a temporary license for a period not to exceed one hundred eighty days.

M. The superintendent shall establish a process for loan originators to challenge information that the superintendent enters into the nationwide mortgage licensing system and registry.

Sec. 13. Section 6-1207, Arizona Revised Statutes, is amended to read:

6-1207. Principal and branch offices; notices
A. A licensee shall designate and maintain a principal place of business for the transaction of business regulated by this chapter. If a licensee maintains one or more places of business in this state, the licensee shall designate a place of business in this state as its principal place of business for purposes of this section. The license shall specify the address of the principal place of business and shall designate a responsible individual for its principal place of business.

B. If a licensee maintains one or more locations in this state in addition to a principal place of business, and those locations are to be under the control of the licensee and not under the control of authorized delegates as prescribed in section 6-1208, the licensee shall obtain a branch office license from the superintendent for each additional location by filing an application as required by the superintendent at the time the licensee files its license application. If branch offices are added by the licensee, the licensee shall file with the superintendent an application for a branch office license with the licensee's next quarterly fiscal report prescribed by section 6-1211. The superintendent shall issue a branch office license if the superintendent determines that the
licensee has complied with the provisions of this subsection. The license
shall indicate on its face the address of the branch office and shall
designate a manager for each branch office to oversee that office. The
superintendent may disapprove the designated manager then or at any later
time if the superintendent finds that the competence, experience and
integrity of the branch manager warrants disapproval. A person
may be designated as the manager for more than one branch. The licensee
shall submit a fee as prescribed in section 6-126 for each branch office
license.

C. A licensee shall prominently display the money transmitter
license in its principal place of business and the branch office license
in each branch office. Each authorized delegate shall prominently display
at each location a notice in a form prescribed by the superintendent that
indicates that the authorized delegate is an authorized delegate of a
licensee under this chapter.

C. C. If the address of the principal place of business or any
branch office is changed, the licensee shall immediately notify the
superintendent within fifteen calendar days of the change. The
superintendent shall endorse the change of address on the license for a
fee as prescribed in section 6-126.

Sec. 14. Section 6-1255, Arizona Revised Statutes, is amended to
read:

6-1255. Issuance of licenses
A. On receipt of an original application that is accompanied by the
fees prescribed in section 6-126 and the financial statement prescribed in
this chapter, the superintendent shall conduct a general review of the
qualifications of the applicant. If the superintendent finds no grounds
for denial of a license, within one hundred twenty days after receiving a
complete application, the superintendent shall grant the application and
issue a license to the applicant.

B. A license is not transferable or assignable and control of a
license shall not be acquired through any stock purchase or other device
without the prior written consent of the superintendent. The
superintendent shall not give consent if the superintendent finds that the
acquiring person does not meet the qualifications of this chapter. For
the purposes of this subsection, "control" means the power to vote more
than twenty-five percent of the outstanding voting shares of a
licensed corporation, partnership, association or trust.

C. A license remains the property of this state. On termination at
the request of the licensee or revocation by the superintendent, the
licensee shall immediately deliver the license to the superintendent.
Termination of the license does not affect any other liability of the
licensee.
Sec. 15. Section 6-1259, Arizona Revised Statutes, is amended to read:

6-1259. Prohibited acts

A. A person shall not engage in the business of providing deferred presentment services without first obtaining a license pursuant to this chapter. A separate license is required for each location from which the business is conducted. The licensee shall post its license to engage in the business of deferred presentment services at each location that is licensed pursuant to this chapter.

B. A licensee shall not:

1. Advance monies on the security of a check without first obtaining reasonable evidence that indicates that the account on which the presented check is drawn is an open and active account.

2. Assess any fee that is more than the amount prescribed in this chapter.

3. At the licensed location engage in the business of:
   (a) Making loans of money or extensions of credit other than those allowed under this chapter or title 44, chapter 11, article 3.
   (b) Discounting notes, bills of exchange, items or other evidences of debt.
   (c) Accepting deposits or bailments of money or items, except as expressly provided in section 6-1260.

4. Use or cause to be published or disseminated any advertisement that contains false, misleading or deceptive statements or representations.

5. Engage in the business of deferred presentment services at locations other than licensed locations.

6. Engage in unfair, deceptive or fraudulent practices.

7. Alter or delete the date on a check accepted by the licensee.

8. Take possession of an undated check or a check dated on a date other than the date on which the licensee takes possession of the check or the date of presentment.

9. Require a customer to provide security for the transaction, other than the presented check, or require the customer to provide a guaranty from another person.

10. Fail to take reasonable measures to ensure that no customer has more than one deferred presentment loan outstanding at any time with any licensee in this state.

11. Engage in the sale of the following goods or services at any licensed location:
   (a) Gaming activities, including the sale of lottery tickets.
   (b) Alcoholic beverages.

12. Tie or otherwise condition the offering of deferred presentment services to the sale of any good or service.
13. Permit ALLOW others to engage in any activity prohibited in this section at a location licensed pursuant to this chapter.

14. Offer deferred presentment services for less than five days.

15. Be required to request or accept any written representation by a customer as to whether the customer has any outstanding checks for deferred presentment held by other licensees.

Sec. 16. Section 6-1405, Arizona Revised Statutes, is amended to read:

6-1405. Issuance of license or branch office permit; license year; requirements

A. If no grounds for denial of a license or branch office permit are found to exist, the superintendent shall, within one hundred twenty days of receiving a complete application, grant the application and issue a license or branch office permit to the applicant.

B. The license or branch office permit year for a licensee begins January 1 and ends December 31 of each year.

C. All licenses and branch office permits issued shall remain in full force and effect until surrendered, revoked or suspended.

B. A license or branch office permit remains the property of this state. On termination at the request of the licensee or revocation by the superintendent, the licensee shall immediately deliver the license or branch office permit to the superintendent.

Sec. 17. Section 20-142, Arizona Revised Statutes, is amended to read:

20-142. Powers and duties of director; payment of examination and investigation costs; home health services; criminal history record information; electronic information

A. The director shall enforce the provisions of this title.

B. The director shall have powers and authority expressly conferred or reasonably implied from the provisions of this title.

C. The director may conduct examinations and investigations of insurance matters, including examinations and investigations of adjusters, agents and brokers and any other persons who are regulated under this title, in addition to examinations and investigations expressly authorized, as the director deems proper in determining whether a person has violated any provision of this title or for the purpose of securing information useful in the lawful administration of any provision of this title. The examined party shall pay the cost of examinations that are conducted pursuant to this subsection except for examinations of adjusters, agents and brokers. The examined party shall pay the cost of examining adjusters, agents and brokers only if the party has violated any provision of this title. The state shall pay the cost of an investigation.
D. The director shall establish guidelines for insurers on home health services that shall be used by the director pursuant to sections 20-826, 20-1342, 20-1402 and 20-1404. The director may use home health services as defined in section 36-151. Guidelines shall include but not be limited to THE FOLLOWING:

1. Home health services that are prescribed by a physician or a registered nurse practitioner.

2. Home health services that are determined to cost less if provided in the home than the average length of in-hospital service for the same service.

3. Skilled professional care in the home that is comparable to skilled professional care provided in-hospital and that is reviewed and approved at thirty-day THIRTY-DAY intervals by a physician.

E. Pursuant to section 41-1750, subsection G, the director may receive criminal history record information in connection with the issuance, renewal, suspension or revocation of a license or certificate of authority or the consideration of a merger or acquisition. The director may require a person to submit a full set of fingerprints to the department. The department of insurance shall submit the fingerprints to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

F. NOTWITHSTANDING ANY OTHER LAW, THE DIRECTOR MAY MAKE THE INFORMATION CONTAINED ON A LICENSE, PERMIT, REGISTRATION, CERTIFICATION OR OTHER SIMILAR AUTHORIZATION AVAILABLE ELECTRONICALLY.