

**Rulemaking Docket<sup>1</sup>**  
**Financial Institutions Division**  
**Article 19 – Commercial Mortgage Bankers**  
**December 20, 2024**

**1. The subject matter of the proposed rule.**

The Arizona Department of Insurance and Financial Institutions – Financial Institutions Division (“Department”) is proposing changes to A.A.C. Title 20, Chapter 4, Article 19 – Commercial Mortgage Bankers. The changes being proposed by the Department will reflect the structural change to the former Department of Financial Institutions which merged with the Department of Insurance to form the Department of Insurance and Financial Institutions (the “new agency”), on July 1, 2020. The former Department of Financial Institutions became a division of the new agency.

As a result of the merger, the new agency made statutory changes to eliminate the position of Superintendent. Instead, the Director of the new agency assumed those duties. This structural change necessitated replacing references to “Superintendent” with “Director” throughout the Article.

When reviewing the rules in the Article, the Department also endeavored to modernize the current rules since the most recent rulemaking for Article 19 was in 1999. The Department is also modifying and adding experience requirements, removing a fee, correcting statutory citations, and allowing the use of electronic recordkeeping.

The rules augment the correlating statutory sections regulating these entities found at Title 6, A.R.S. §§ 6-971 through 6-985.

This rulemaking amends Article 19 (Commercial Mortgage Bankers) as follows:

- R20-4-1901 (Exemption for an Institutional Investor) will be amended to correct punctuation.
- R20-4-1902 (Exemption for an Entity Regulated by an Agency of this State,

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<sup>1</sup> A.R.S. § 41-1021(B)

Other States, or by the United States) will be amended to correct punctuation, and to add clarifying language.

- R20-4-1903 (Equivalent and Related Experience) will be amended to modify and add to experience requirements, and to correct for passive voice.
- R20-4-1904 (Restrictions on the Term of a Cash Alternative to a Surety Bond) will be amended to replace “Superintendent” with “Director.”
- R20-4-1905 (Requirements for a Person Intended to Oversee a Branch Office) will be amended to clarify that a person intended to oversee a branch office as referenced in the statute is a “branch office manager,” and to correct unnecessary capitalization.
- R20-4-1906 (Notification of Change of Address) will be amended to comport with the language of A.R.S. § 6-979(C) and (D), and to remove the fee.
- R20-4-1907 (Recordkeeping Requirements) will be amended to allow records to be kept electronically, to add clarifying language, to replace “Superintendent” with “Director,” and to correct punctuation.
- R20-4-1908 (Impound Accounts) will be amended to remove unnecessary capitalization.
- R20-4-1909 (Authorization to Complete Blank Spaces) will be amended to correct a statutory citation.
- R20-4-1910 (Delay or Cause Delay) will be amended to add clarifying language.
- R20-4-1911 (Acquisition of Additional Interest in Licensee by Majority Owner) will be amended to replace “Superintendent” with “Director,” and to add clarifying language.

**2. A citation to all published notices relating to the proceeding.**

Docket Opening:	30 A.A.R. 3839, December 20, 2024
Notice of Proposed Rulemaking:	30 A.A.R. 3830, December 20, 2024
Notice of Final Rulemaking:	TBD

**3. The name and address of agency personnel with whom persons may communicate regarding the rule.**

Name: Mary Kosinski

Address: Arizona Department of Insurance and Financial Institutions  
100 North 15<sup>th</sup> Ave., Suite 261, Phoenix, Arizona 85007-2630

Telephone: (602)364-3476

E-mail: mary.kosinski@difi.az.gov

**4. Where written submissions on the proposed rule may be inspected.**

Contact the person listed in Item 3.

**5. The time during which written submissions may be made and the time and place where oral comments may be made.**

December 20, 2024 through January 19, 2025 (See the announcement on the Department's website regarding the Comment Period:

<https://difi.az.gov/laws/rulemaking-announcements>)

**6. Where a copy of the economic, small business and consumer impact statement and the minutes of the pertinent council meeting may be inspected.**

TBD

**7. The current status of the proposed rule.**

The Department has opened the Docket and published the Notice of Proposed Rulemaking (see Item 2). The Department is currently taking written comments or requests for an Oral Proceeding.

**8. Any known timetable for agency decisions or other action in the proceeding.**

TBD

**9. The date the rule was sent to the council.**

TBD

**10. The date of the rule's filing and publication.**

TBD

**11. The date the rule was approved by the council.**

TBD

**12. When the rule will become effective.**

TBD