

Rulemaking Docket¹
Financial Institutions Division
Article 9 – Mortgage Brokers
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 9 – Mortgage Brokers. 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 9 was in 2012 (with most Sections last updated in 1999). The Department is also modifying and adding experience requirements, removing some fees while adding one other to comport with a statutory requirement, correcting statutory and regulation cites, allowing the use of electronic recordkeeping, and adding to documentation requirements. This rulemaking addresses the changes suggested by the Department in its June, 2024 Five-Year Review Report. The rules augment the correlating statutory sections regulating these entities found at Title 6, A.R.S. §§ 6-901 through 6-913,

This rulemaking amends Article 9 (Mortgage Brokers) as follows:

¹ A.R.S. § 41-1021(B)

- R20-4-903 (Exemption for an Entity Regulated by an Agency of this State, Other States, or by the United States) will be amended to correct punctuation and to add clarifying language.
- R20-4-906 (Equivalent and Related Experience) will be amended to correct statutory references, modify and add to experience requirements.
- R20-4-907 (Course of Study) will be amended to replace “Superintendent” with “Director,” correct punctuation, correct statutory cites, and cite to federal regulations.
- R20-4-911 (Qualified Replacement Responsible Individual) will be amended to correct statutory cites and to replace “Superintendent” with “Director.”
- R20-4-912 (Restrictions on the Term of a Cash Alternative) will be amended to replace “Superintendent” with “Director,” and to correct statutory cites.
- R20-4-915 (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.”
- R20-4-916 (Notification of Change of Address) will be amended to comport with the language of A.R.S. § 6-904(G) and (H), and remove the fee requirement.
- R20-4-917 (Recordkeeping Requirements) will be amended to allow records to be kept electronically, to add clarifying language, to add an additional document required to be kept in a mortgage loan file, to correct federal statutory cites, to replace “Superintendent” with “Director,” and to correct punctuation.
- R20-4-919 (Deposit of Monies Received by a Mortgage Broker) will be amended to remove antiquated language.
- R20-4-920 (Requirements for the Testing Committee) will be amended to replace “Superintendent” with “Director,” and to remove an unnecessary notification.
- R20-4-921 (Authorizations to Complete Blank Spaces) will be amended to correct a statutory citation.
- R20-4-922 (Determining Loan Amounts) will be amended to add Oxford commas for clarity.
- R20-4-923 (Delay or Cause Delay) will be amended to add clarifying language.

- R20-4-924 (Receipt and Disbursement of Monies) will be amended to add clarifying language.
- R20-4-925 (Waiver of Examination and Course of Study) will be amended to replace “Superintendent” with “Director.”
- R20-4-926 (Acquisition of Additional Interest in Licensee by Majority Owner) will be amended to replace “Superintendent” with “Director,” and to add clarifying language.
- R20-4-927 (Conversion to Commercial Mortgage Broker License) will be amended to remove gender specific terminology.
- R20-4-928 (Certificate of Exemption Application and Renewal) will be amended to establish the fee as required by A.R.S. § 6-902.01 and to remove unnecessary fees.

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

Docket Opening:	30 A.A.R. 3836, December 20, 2024
Notice of Proposed Rulemaking:	30 A.A.R. 3813, 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 15th 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