



DEPARTMENT OF  
FINANCIAL INSTITUTIONS

# Arizona Mortgage Broker Test Handbook

## Contents

|  |   |
|--|---|
| Overview                               | 2 |
| Introduction                           | 2 |
| State Licensing Requirements           | 3 |
| Experience                             | 3 |
| Education                              | 4 |
| Residency                              | 4 |
| Test                                   | 5 |
| Test Schedule & Location               | 5 |
| Test Registration and Fee              | 6 |
| Day of the Test                        | 6 |
| Applying for a Mortgage Broker License | 7 |
| Test Content and Outline               | 7 |
| References and Resources               | 8 |

ARIZONA DEPARTMENT OF FINANCIAL  
INSTITUTIONS

100 N. 15<sup>th</sup> Avenue, Suite 261

Phoenix, AZ 85007



## Overview

Arizona Revised Statutes (“A.R.S.”) require that a licensed Mortgage Broker must have an individual to be its Responsible Individual. The individual that will be the Responsible Individual must complete a course of study, pass a test given by the Arizona Department of Insurance and Financial Institutions and must possess the required experience. The Mortgage Broker Test Handbook is a useful tool in preparing for the Mortgage Broker Test.

*... A Responsible Individual shall be a resident of this state, shall be in active management of the activities of the licensee governed by this article and shall have not less than three years’ experience in the business of making mortgage banking loans or equivalent experience in a related business.... [A.R.S. § 6-903](#)*

---

## Introduction

---

It is assumed that the mortgage broker applicant possesses a thorough and current working knowledge of real estate lending principles and guidelines, federal and state law, and mortgage regulation acquired through the required practical mortgage lending experience. This handbook is not intended as a study guide or test preparation tool, but as information only regarding the Mortgage Broker Test.

The Mortgage Broker Test is provided to meet Arizona Mortgage Broker licensing requirements.

For questions regarding the Mortgage Broker Test or Mortgage Broker licensing, please contact:

Arizona Department of Insurance and  
Financial Institutions  
100 N. 15<sup>th</sup> Avenue, Suite 261  
Phoenix, AZ 85007  
(602) 771-2800  
[felicensing@difi.az.gov](mailto:felicensing@difi.az.gov)  
<https://difi.az.gov/>

### **Our Mission**

To license, examine, and supervise Financial Institutions, in compliance with State law, to ensure safety for the Arizona consumer and soundness for the Arizona business.

### **Our Vision**

To promote excellence in strong consumer protection, effective regulatory oversight, and exceptional customer service.

## MORTGAGE BROKER STATE LICENSING REQUIREMENTS

Pursuant to [A.R.S. § 6-903](#), A person shall not act as a mortgage broker if the person is not licensed under this article. A person who brokers only commercial mortgage loans shall obtain either a mortgage broker license or a commercial mortgage broker license. A person who brokers residential mortgage loans shall obtain a mortgage broker license. In addition, the Superintendent shall not grant a mortgage broker license to a person, other than a natural person, who is not registered to do business in this state on the date of granting the license.

An applicant for an original mortgage broker's license shall meet the following requirements:

1. 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.
2. Have satisfactorily completed a course of study approved by the Superintendent during the three years immediately preceding the time of application.
3. Have passed a mortgage broker's test, pursuant to section [A.R.S. § 6-908](#).

If an applicant is a person other than a natural person, the license issued to it entitles all officers, directors, members, partners, trustees and employees of the licensed corporation, partnership, association or trust to engage in the mortgage business if one officer, director, member, partner, employee or trustee of the person is designated in the license as the individual responsible for the person under this article. If the natural person is not a resident of this state, an employee of the licensee shall be designated in the license as the individual responsible for the licensee under the provisions of this article.

For the purposes of this subsection, an employee does not include an independent contractor. A Responsible Individual shall be a resident of this state, shall be in active management of the activities of the licensee governed by this article and shall meet the qualifications set forth above.

### EXPERIENCE

The applicant shall 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.

Arizona Administrative Code ("A.A.C.") Title 20, Chapter 4, Article 9 states:

#### **Equivalent and Related Experience**

- 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\(B\)](#). The Department counts a fractional month of experience, at least 15 days long, as a full month.
  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.
- 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](#), or as a Responsible Individual, under [A.R.S. § 6-903](#). 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).
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
  8. Executive, supervisor, or policy maker involved in administering or operating a mortgage-related business...3:1.5
  9. Title officer with a title company...3:1.5
  10. Real estate broker, not qualified under subsection (B)(5)...3:1.5
  11. Loan processor with responsibility primarily for loans secured by lien interests on real property...3:1.5
  12. Lender's branch manager with responsibility primarily for loans not secured by lien interests on real property...3:1.5
  13. Real property salesperson with an Arizona license or a license from a state with substantially equivalent licensing requirements...3:1
  14. Loan officer, with responsibility primarily for loans not secured by lien interests on real property...3:1

## **EDUCATION**

The applicant shall have satisfactorily completed a course of study approved by the Superintendent during the three years immediately preceding the time of application.

Please review the list of approved Mortgage Broker Course Providers located on the Department's website at [https://difi.az.gov/sites/default/files/FE-LC-FM-MB-Approved\\_Mortgage\\_Broker\\_Providers.pdf](https://difi.az.gov/sites/default/files/FE-LC-FM-MB-Approved_Mortgage_Broker_Providers.pdf)

## **RESIDENCY**

Per statute, the Responsible Individual shall be a resident of this state. A resident of this state means a natural person domiciled in Arizona.

## TEST

The applicant shall have passed a mortgage broker's test, pursuant to section [A.R.S. § 6-908](#).

- Each applicant for an original license, before issuance of the license, shall personally take and pass the written test given under the supervision of the Department. The test must reasonably examine the applicant's knowledge of:
  1. The obligations between principal and agent, the applicable canons of business ethics, the provisions of this article and the rules adopted under this article.
  2. The arithmetical computations common to mortgage brokerage.
  3. The principles of real estate lending.
  4. The general purposes and legal effect of mortgages, deeds of trust and security agreements.
  
- The Department shall administer the test to applicants for licenses not less than once every six months. The Department shall reasonably prescribe the time, place and conduct of testing and collect a fee for administration of the test to be assessed to all persons taking the test. The fee is fifty dollars per testing. An applicant may not take the test more than two times within a twelve month period.
  
- All tests shall be given, conducted and graded in a fair and impartial manner and without unfair discrimination between individuals tested. The applicant shall be informed of the test results within thirty days.
  
- For the purposes of this section "applicant" means a person who has submitted a completed application in the form prescribed by law, accompanied by a letter of inquiry to a surety company authorized to do business in this state regarding the procurement of a bond pursuant to section A.R.S. § 6-903, to be issued upon completion of all requirements for the granting of a license.

## TEST SCHEDULE AND LOCATION

The Department has elected to administer the Mortgage Broker Test on the 1<sup>st</sup> Tuesday of every month at the offices of the Arizona Department of Insurance and Financial Institutions located at:

100 N. 15<sup>th</sup> Avenue  
Phoenix, AZ 85007

The test is administered in the morning beginning at 9:00 a.m. and ends at 12:00 p.m. If more time is needed to complete the test, a request may be made at that time.

## TEST REGISTRATION AND FEE

At the time of the test, the following items must have been previously submitted to the Department:

- A completed Test Registration Application located at [https://elicense.az.gov/ARDC\\_HomePage](https://elicense.az.gov/ARDC_HomePage)
- A copy of your course "Certificate of Completion"
- Payment of the test fee in the amount of \$50.00.

**NOTE: THE TEST FEE IS NON-REFUNDABLE.**

## DAY OF THE TEST

On the day of the test, candidates must bring one government issued picture ID. All candidates will be required to sign-in prior to testing.

Candidates should bring a non-database type financial calculator, 2-3 #2 pencils (sharpened) and an eraser. The Department will furnish all test materials, including scratch paper.

The test consists of 100 multiple choice questions. Candidates will be required to comply with the following:

- TURN OFF all electronic devices.
  - Electronic devices, backpacks, notebooks or other items will be held by the test proctor.
  - You are allowed a non-database calculator, pencils, erasers and a bottled beverage on the table.
  - All test materials furnished to you (test booklet, scratch paper and answer sheet) are the property of AZ-DIFI and may not be duplicated in any way or removed from the test room under any circumstances.
- Any form of cheating, which includes giving or receiving help, talking, copying and/or retaining test questions will be grounds for immediate removal from the premises and may include further action up to and including your ability to obtain a mortgage broker license in the future.

### Test Results:

The results of the Mortgage Broker Test are either pass or fail. In order to pass the test, you must receive a score of 70% or better. Test results will be e-mailed no later than five (5) days from the date of the test..

## APPLYING FOR A MORTGAGE BROKER LICENSE

If you wish to apply for a Mortgage Broker license, you must do so through the Nationwide Multistate Licensing System & Registry ("NMLS"). User Tools and Tips can be found on the NMLS Resource Center website at [NMLS Resource Center](#)

Arizona Mortgage Broker statutes and rules can be found in A.R.S. Title 6, Chapter 9, Article 1 and A.A.C. Title 20, Chapter 4.

[Arizona Revised Statutes Title 6](#)

[Arizona Administrative Code Title 20, Chapter 4](#)

## TEST CONTENT AND OUTLINE

Prior to an original license being issued, an applicant shall pass the written test given under the supervision of the Department. The test must reasonably examine the applicant's knowledge of:

- A. Obligations between principal and agent (7%)
  - Principal and agent law;
  - Escrow agent law
- B. Canons of business and ethics (7%)
  - Ethics
- C. Mortgage Broker statutes and rules (48%)
  - Mortgage broker law;
  - Recordkeeping requirements of R20-4-917
- D. Math for Mortgage Brokers (5%)
  - Arithmetical computations common to mortgage brokerage
- E. Principles of real estate (11%)
  - Real estate lending principles;
  - Real estate law
- F. Mortgage deed of trusts and security agreements (7%)
  - Mortgage, deed of trust and security agreement law;
  - Negotiable instrument law
- G. Federal regulations (15%)
  - Real Estate Settlement Procedures Act, 12 U.S.C. 2601 through 2617; Consumer Credit Protection Act, 15 U.S.C. 1601 through 1666j;
  - Securities law;
  - Federal Housing Administration, Veterans Administration, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation requirements

## REFERENCES AND RESOURCES

[A.R.S. Title 6, Chapter 9](#)

[A.A.C. Title 20, Chapter 4](#)

Mortgage Broker School Study Materials