

House Engrossed

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-second Legislature  
First Regular Session  
2015

CHAPTER 97

## **HOUSE BILL 2097**

AN ACT

REPEALING SECTION 6-991.06, ARIZONA REVISED STATUTES; AMENDING SECTIONS 6-991.07 AND 6-1305, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF FINANCIAL INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Repeal

3 Section 6-991.06, Arizona Revised Statutes, is repealed.

4 Sec. 2. Section 6-991.07, Arizona Revised Statutes, is amended to  
5 read:

6 6-991.07. Examination; fee; definition

7 A. Each applicant for an original loan originator license, before  
8 issuance of the license, shall take and pass an examination given under the  
9 supervision of the department or its designee. The examination must  
10 reasonably examine the applicant's knowledge of all of the following:

- 11 1. The obligations between principal and agent.
- 12 2. The applicable canons of business ethics.
- 13 3. This article and the rules adopted under this article.
- 14 4. The arithmetical computations common to mortgage brokerage.
- 15 5. The principles of real estate lending.
- 16 6. The general purposes and legal effect of mortgages, deeds of trust  
17 and security agreements.
- 18 7. The terms and conditions of conforming and nonconforming  
19 residential mortgage products.

20 8. The principles of appraisal independence.

21 B. The examination is subject to the superintendent's approval.

22 C. An applicant may take the examination three consecutive times with  
23 each consecutive taking occurring at least thirty days after the preceding  
24 examination. An applicant who fails the examination on three consecutive  
25 occasions must wait at least six months before taking the examination again.

26 D. All examinations shall be given, conducted and graded in a fair and  
27 impartial manner and without unfair discrimination between individuals  
28 examined. ~~The committee or the~~ department's designee shall inform the  
29 applicant of the result of the examination within thirty days of the  
30 examination.

31 E. The superintendent may determine the fee for each examination. The  
32 superintendent may contract for the examination for the licensing of  
33 applicants. If the superintendent contracts for the examination, the fee for  
34 examination for licenses pursuant to this section is payable directly to the  
35 contractor by the applicant for examination.

36 F. For the purposes of this section, "applicant" means a person who  
37 has submitted a completed application in the form prescribed by the  
38 superintendent.

39 Sec. 3. Section 6-1305, Arizona Revised Statutes, is amended to read:

40 6-1305. Registration; renewal; reporting requirements

41 A. The superintendent shall register the applicant as an advance fee  
42 loan broker when an applicant has fully complied with ~~the provisions of~~ this  
43 chapter and the rules prescribed by the superintendent.

44 B. The superintendent shall immediately notify the applicant by mail  
45 ~~upon~~ ON registering the applicant as an advance fee loan broker.

1           ~~C. Registration of an advance fee loan broker shall expire one year~~  
2 ~~from the effective date of registration.~~

3           C. A REGISTERED ADVANCE FEE LOAN BROKER SHALL APPLY FOR RENEWAL AS  
4 PRESCRIBED BY THE SUPERINTENDENT NOT LATER THAN JUNE 30 OF EACH YEAR. A  
5 REGISTRATION FOR WHICH A RENEWAL APPLICATION IS NOT RECEIVED BY THE  
6 SUPERINTENDENT BY JUNE 30 IS SUSPENDED AND THE REGISTERED ADVANCE FEE LOAN  
7 BROKER MAY NOT ACT AS AN ADVANCE FEE LOAN BROKER UNTIL THE REGISTRATION IS  
8 RENEWED OR A NEW REGISTRATION IS ISSUED PURSUANT TO THIS ARTICLE. THE  
9 REGISTRATION OF AN ADVANCE FEE LOAN BROKER THAT HAS NOT FILED A RENEWAL  
10 APPLICATION AND PAID THE RENEWAL FEE BY JULY 31 EXPIRES. A REGISTRATION MAY  
11 NOT BE GRANTED TO THE HOLDER OF AN EXPIRED REGISTRATION EXCEPT AS PROVIDED IN  
12 THIS ARTICLE FOR THE ISSUANCE OF AN ORIGINAL REGISTRATION.

13           D. An advance fee loan broker may annually renew ~~his~~ THE BROKER'S  
14 registration by filing a supplemental statement showing any changes in the  
15 facts set forth in the original application for registration or any  
16 previously filed supplemental statement made at the time of annual renewal.

17           E. An advance fee loan broker shall file a supplemental statement  
18 showing any changes in the facts set forth in the original application or in  
19 any supplemental statement made at the time of annual renewal within thirty  
20 days of a change in any material fact.

APPROVED BY THE GOVERNOR MARCH 30, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2015.

Passed the House February 19, 2015

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate March 25, 2015

by the following vote: 27 Ayes,

1 Nays, 2 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

24th day of March, 20 15

at 12:10 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 30th day of

March

at 1:47 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 31st day of March, 20 15

at 10:00 o'clock A M.

[Signature]  
Secretary of State

H.B. 2097