



ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

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RESPONSIBLE INDIVIDUAL CONTINUING EDUCATION AND LOAN ORIGINATOR PRE-LICENSING AND CONTINUING EDUCATION REQUIREMENTS

September 25, 2009

RESPONSIBLE INDIVIDUAL:

As part of the mortgage banker and mortgage broker renewal process, the responsible individual (RI) must complete 12 units (1 unit = 50 minutes) of continuing education prior to 12/31 of each calendar year. A copy of the certificate(s) must be sent to AzDFI with the renewal checklist (which will be available on NMLS in September). The certificate must show each course and units taken. The education shall include courses in the following areas:

- Arizona mortgage related law (i.e. title, appraisal, real estate, etc... as it relates to mortgage industry)
- Federal mortgage law
- mortgage related ethics
- non-traditional mortgage products
- Other mortgage related courses that contribute to the maintenance and improvement of professional competence.

The same courses can not be taken in two consecutive years. Please check the list of approved course providers and go to their websites to access course information. A list of current approved Arizona course providers is available on our website at www.azdfi.gov.

IMPORTANT: If you are an RI who is also a loan originator (LO), the LO pre-licensing or continuing education units may be applied toward the RI continuing education requirement. Read the LO pre-licensing and continuing education requirements listed below for more information.

LOAN ORIGINATOR PRE-LICENSING EDUCATION REQUIREMENTS

As part of the loan originator (LO) application process, a LO who will originate Arizona residential mortgage loans and/or loan modifications must complete 20 hours of pre-licensing education prior to licensure. Documentation on the course(s) taken must be sent to AzDFI and include the course and hours taken. Effective July 1, 2010, only licensed loan originators may transact business in Arizona, unless exempt by statute.

20 hour Pre-licensing Course of Study:

- Federal Law – 3 hours
- Ethics – 3 hours
- Non-traditional mortgage products – 2 hours
- Arizona mortgage related law (i.e. title, appraisal, real estate, etc... as it relates to mortgage industry) – 4 hours
- Any other mortgage related courses that contribute to the maintenance and improvement of professional competence – 8 hours (i.e. FHA, VA, Appraisal, etc...)

NMLS will soon implement a certification process by which Arizona LOs who have completed 20 hours of AzDFI approved courses will be able to use those course hours to satisfy the 20-hour pre-licensure education requirement. 20 hours of AzDFI approved courses must be completed by December 31, 2009 to qualify for the NMLS certification.

LO WHO HAS NOT TAKEN ANY PRE-LICENSING EDUCATION COURSES: LO may take all 20 hours from NMLS approved courses or all 20 hours may be from Arizona approved courses. If an LO chooses to take all 20 hours from AzDFI approved courses, then all 20 hours **must** be completed by December 31, 2009. NOTE: all 20 hours must be from either NMLS approved courses or all 20 hours from AzDFI approved courses only (i.e.: you may not take partial hours from AzDFI approved courses and the remainder from NMLS approved courses.)

LO WHO HAS TAKEN AZDFI APPROVED COURSES, BUT HAS NOT COMPLETED THE REQUIRED 20 HOURS:
LO must complete the full 20 required hours from AzDFI approved course providers/courses before December 31, 2009. If the LO is not able to complete all 20 hours from AzDFI approved course providers/courses by December 31, 2009, then the LO will need to take all 20 hours from NMLS approved courses.

LOS WHO HAVE COMPLETED AT LEAST 20 HOURS OF NMLS APPROVED PRE-LICENSING COURSES:
If the NMLS approved pre-licensing courses did not include at least 4 hours of Arizona law, then the LO will need to complete 4 hours of Arizona mortgage related law (i.e. title, appraisal, real estate, etc... as it relates to the mortgage industry).

LOAN ORIGINATOR CONTINUING EDUCATION REQUIREMENTS

A loan originator must complete 8 units of continuing education by 12/31, except in the year the original license is issued. Continuing education courses must be taken through NMLS approved course providers and can not be repeated in subsequent years.

8 unit Continuing Education Course of Study for a Loan Originator:

- Federal Law - 3 units
- Ethics - 2 units
- Non-traditional mortgage products - 2 units
- Arizona mortgage related law (i.e. title, appraisal, real estate, etc... as it relates to mortgage industry) - 1 unit

You may obtain a list of Arizona approved course providers from our website at www.azdfi.gov under “NMLS & Loan Originator Information”. Please visit the approved course provider’s website to access course information.

You may obtain a list of NMLS approved course providers and approved courses from the NMLS Resource Center located on the NMLS website.

Sincerely,
Richard Fergus
Richard Fergus
Licensing Division Manager