

# Arizona Department of Financial Institutions



## SUBSTANTIVE POLICY STATEMENT

**Section:** Mortgage Lending  
**Subject:** Loan Agreements

**July 30, 2012**  
**Policy Statement # MB-2**

The Department believes that active competition between licensees, when conducted within applicable law and in a safe and sound manner, is in the public interest. Therefore, limitations on the ability of consumer to avail themselves of this benefit will be viewed as a violation of A.R.S. § 6-909.

The Department is concerned that the cumulative impact of certain restrictions and costs that are part of an agreement wherein the borrower is required to enter into a contract with a mortgage broker to pay a fee at a future date, rather than a fee at the time of application, could constitute a prohibition to the borrower against procuring a loan from another source. Due to the cost involved in such agreements, the enforcement of future collection of a fee may have the effect of prohibiting the borrower from securing a loan directly from another source and therefore is construed as a violation of the above noted statute.

Questions regarding this policy statement should be directed to our Financial Enterprise Division at (602) 771-2800.