

# House Bill 2486

Health Insurance; purchase outside state  
S/E COMMERCIAL MORTGAGE BROKER LICENSE

## Background

Currently in the State of Arizona there is no licensure distinction between those *brokers* who deal with residential loans, and those who deal exclusively with commercial loans. The regulatory structure and requirements for residential mortgage brokers have been increased, and may continue to be increased based on regulations adopted at the federal level. With no clear distinction between the two types of mortgage brokers, those who exclusively broker commercial loans fall under many of the requirements that are designed and intended to apply to residential mortgage transactions.

The Strike Everything amendment on HB 2486 will create a new licensure category for those brokers who deal *exclusively with commercial loans*. It does nothing to change the licensure statuses for those brokers who deal with residential mortgages or those who broker residential and commercial mortgages.

## Provisions

- Creates a “Commercial Mortgage Broker” license designation in statute. Clarifying the distinction between mortgage brokers who do residential transactions and those that engage in strictly business-to-business commercial transactions.
- Requires “Commercial Mortgage Brokers” to fulfill the same fee and bonding requirements currently applied to all mortgage brokers.
- Creates consistency in the statutes by paralleling the provisions of Title 6 that distinguish between residential and commercial mortgage bankers.
- Creates regulatory efficiencies; currently the Department of Financial Institutions has no designation to determine whether a mortgage broker is residential, commercial or both.
- Creates efficiencies in business operations by avoiding application of new loan originator residential licensing requirements on individuals who are originators for strictly commercial transactions.

For additional information, please contact:

Kristen R. Boilini  
KRB Consulting, Inc.  
602-738-8886

Nick Simonetta  
KRB Consulting, Inc.  
602-368-8395