CHECKLIST SECTIONS

- General Information
- License Fees
- Requirements Completed in NMLS
- Requirements Submitted Outside of NMLS

GENERAL INFORMATION

Note from Arizona Department of Insurance and Financial Institutions (“AZ-DIFI”): To avoid delays in application processing, we ask that you provide all required application requirements at the time of application submission. This is to ensure the application can be processed and to avoid any undue delay. If the application is deficient, please provide the necessary information needed to make our decision within 30 days of the date we notify you of any deficiencies. Untimely submissions, as detailed in the deficiency notice, will result in your application being withdrawn. If the application is withdrawn, application and license fees will be forfeited and the applicant will be required to submit a new application, application fee, and license fee. AZ-DIFI issues a PDF license for this license type.

Who Is Required to Have This License?
(a) All persons engaged directly or indirectly in soliciting claims for collection or in collection of claims owed, due or asserted to be owed or due.
(b) Any person who, in the process of collecting debts occurring in the operation of his own business, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts.

Arizona Revised Statutes Title 32, Chapter 9 – Collection Agencies

Activities Authorized Under This License
This license authorizes the following activities...
  o Active debt buying (undertakes direct collections on accounts)
  o First party debt collection
  o Judgement Recovery
  o Passive debt buying (does not undertake direct collections on accounts)
  o Third party debt collection
Pre-Requisites for License Applications

- The primary contact person listed in NMLS for Arizona should create an Arizona eLicense portal account prior to submission of the application through NMLS. If the individual already has an Arizona eLicense portal account, this step would not be required again.

- None

Arizona Department of Insurance and Financial Institutions (‘AZ-DIFI’) does not issue paper licenses for this license type.

Document Uploads Guidance

Documents that must be uploaded to the Document Uploads section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in Document Upload Descriptions and Examples.
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- Company Form (MU1) Filing Instructions
- Document Upload Descriptions and Examples
- Individual Form (MU2) Filing Quick Guide
- Financial Statements Quick Guide
- Payment Options Quick Guide
- License Status Definitions Quick Guide

Agency Contact Information

Contact AZ-DIFI licensing staff by phone at (602) 771-2800 or send your questions via email to felicensing@difi.az.gov for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREFIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.
### LICENSE FEES - All fees paid are final, NON-REFUNDABLE and not transferable. ARS § 6-126

<table>
<thead>
<tr>
<th>Complete</th>
<th>AZ Collection Agency License</th>
<th>Submitted via...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>AZ Application Fee:</strong> $1,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>AZ License/Registration Fee:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>If you apply in...</strong></td>
<td><strong>Your license fee will be...</strong></td>
</tr>
<tr>
<td></td>
<td>Jan/Feb/Mar</td>
<td>$600.00</td>
</tr>
<tr>
<td></td>
<td>Apr/May/Jun</td>
<td>$450.00</td>
</tr>
<tr>
<td></td>
<td>Jul/Aug/Sept</td>
<td>$300.00</td>
</tr>
<tr>
<td></td>
<td>Oct</td>
<td>$150.00</td>
</tr>
<tr>
<td></td>
<td>Nov/Dec</td>
<td>$750.00 (includes following year renewal fee)</td>
</tr>
<tr>
<td></td>
<td><strong>NMLS Initial Processing Fee:</strong> $0</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> The above fees apply to the cost for an initial license application and an Other Trade Name application. See the Other Trade Name section below for more information on Other Trade Name requirements.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>FBI Criminal Background Check for MU2 Individual:</strong> $36.25 per person.</td>
<td>NMLS</td>
</tr>
</tbody>
</table>

### REQUIREMENTS COMPLETED IN NMLS

<table>
<thead>
<tr>
<th>Complete</th>
<th>AZ Collection Agency License</th>
<th>Submitted via...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Submission of Company Form (MU1):</strong> Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license through NMLS.</td>
<td>NMLS</td>
</tr>
<tr>
<td>Note</td>
<td><strong>Branches:</strong> Collection agencies are not required to obtain branch licenses.</td>
<td>N/A</td>
</tr>
<tr>
<td>Note</td>
<td><strong>Note:</strong> Financial statements are uploaded separately under the Filing tab and Financial Statement submenu link. See the Financial Statements Quick Guide for instructions.</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td><strong>Other Trade Name(s):</strong> If operating under a name that is different than the applicant’s legal name:</td>
<td>NMLS</td>
</tr>
<tr>
<td></td>
<td>• An additional license is required (i.e. Arizona Collection Agency License – Other Trade Name #).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Please be advised that applicants must hold a Collection Agency License - Other Trade Name for each other trade name listed in the Other Trade Names section of the Company Form (MU1)</td>
<td></td>
</tr>
</tbody>
</table>
that is being used to conduct business in Arizona.

- The “Trade Name” or “DBA” must be listed under the Other Trade Names section of the Company Form (MU1)

- R20-4-1519. Licensee Names and Control
  - A. The Department shall not issue a license with a name that is:
    - 1. Similar to, or that may be confused with, any federal, state, county, or municipal government function or agency;
    - 2. Descriptive of any business activity that the applicant does not actually conduct;
    - 3. The same as, or similar to, the name of any existing collection agency, or;
    - 4. Otherwise deceptive or misleading.
  - B. The Department may permit the use of a name otherwise prohibited under subsection (A)(3) based on its analysis of whether the name includes geographic or other information that distinguishes it from the other collection agency.
  - C. A collection agency shall not use a collection agency license to do business under more than one name. Each collection agency shall apply for and obtain a separate license for each business name it intends to use in Arizona.

AZ-DIFI does not allow more than five (5) other trade names.

**Note**

**Trade Name/Assumed Name Registration:** If operating under an “Other Trade Name”, you may wish to register that name by filing it with the Arizona Secretary of State.

in the Document Uploads section of the Company Form (MU1).

**Formation Documents:** Formation documents from the domiciled state must be uploaded to NMLS. Upload requested documentation directly into NMLS under “Formation Documents” in the Document Uploads section of the MU1.

NMLS

**Resident/Registered Agent:** The Resident/Registered Agent must be listed under the Resident/Registered Agent section of the Company Form (MU1).

NMLS

**Primary Contact Employees:** The following individuals must be entered into the Contact Employees section of the Company Form (MU1).

1. **Primary Company Contact.** This person will be notified of any important information that affects your license which includes, but is not limited to, renewal notifications and email receipt of the license.
   - a. The primary company contact listed in NMLS for Arizona is required to create an Arizona eLicense portal account prior to submission of the application through NMLS. Please disregard this step if the individual already has an Arizona eLicense portal account.
   - b. If step ‘a’ is not completed prior to submission of the application, AZ-DIFI will send an email to the primary company employee.
contact with instructions on how to register on the AZ eLicense portal. This registration is required prior to license approval.

2. **Primary Consumer Complaint Contact.** This person will be notified of any consumer complaints filed with our agency.

### Note

**Non-Primary Contact Employees:** AZ-DIFI does not require any non-primary contacts to be listed in the **Contact Employees** section of the Company Form (MU1).

### Note

**Bank Account:** Bank account information is not required. The **Bank Account** section of the Company Form (MU1) can be left blank.

### Disclosure Questions:

Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2).

See the [Company Disclosure Explanations Quick Guide](#) for instructions.

### Qualifying Individual:

“Active Manager” means the person who is in active management of the conduct of the collection agency’s business, and who meets the qualifications listed in [A.R.S. § 32-1023(A)](#).

- Be a citizen of the United States and be of good moral character.
- Not have been convicted of a crime involving moral turpitude.
- Not have defaulted on payment of money collected or received for another.
- Not have been a former licensee under this chapter whose license was suspended or revoked and not subsequently reinstated.

This individual must be listed in the **Qualifying Individual** section of Company Form (MU1) for Arizona.

### Control Person (MU2) Attestation:

Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person prior to being submitted with the Company Form (MU1).

### Note

**Credit Report:** Individuals in a position of control are **NOT** required to authorize a credit report through NMLS.

### MU2 Individual FBI Criminal Background Check Requirements:

Pursuant to ARS § 6-123.01, AZ-DIFI has the authority to require fingerprints and background checks for all applicants, licensees, active managers or responsible individuals, or any organizer, director or officer of any corporate applicant or licensee, or any individual in control of a licensee or applicant, or any individual who seeks to acquire control of a licensee or each key individual

The following Individuals, specified on the Form MU1 are **required** to authorize a FBI criminal background check (CBC) through the NMLS:

**Direct Owners/Officers – CBC is not required for individuals who have had**
CBC completed and reviewed by the AZ-DIFI within the previous 12 months.

- All individuals who hold 20% or more of the voting shares.
- Top 3 individuals that are responsible for and provide oversight for the entity’s business activity.

Qualifying Individual – CBC is not required for individuals who have had a CBC completed and reviewed by the AZ-DIFI within the previous 12 months.

After review of the application the Department may require additional CBC’s to be completed as stated below.

Indirect Owners and Additional Officers – CBC is not required for individuals who have had a CBC completed and reviewed by the AZ-DIFI within the previous 12 months.

After authorizing a FBI criminal background check through the submission of the Form MU1 and Form MU2, you must schedule an appointment to be fingerprinted if new prints are required. See the Quick Guides - Company section of the NMLS Resource Center for more information.

Note: If you are able to ‘Use Existing Prints’ to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.

Surety Bond: Submit bond in the amount listed below. Click here to access the form.

- The name of the principal insured on the bond must match the full legal name of applicant.
  - Forced names and DBAs should not be included on the bond.
- The bond must be issued by a surety insurer authorized to conduct business in Arizona.
- All fields must be completed, including the name and NPN number of the selling Producer (agent/broker).
- A Power of Attorney must be attached to the bond.
- This document should be named Collection Agency - Surety Bond.

Surety Bond Requirements Table

The bond should be computed using a base consisting of the gross annual income of the licensee generated from all business transacted in Arizona by the licensee during the preceding year. ARS § 32-1021(B)(2)

For the purposes of this section, “all business transacted in Arizona” includes:

1. The collection of debts from debtors who reside in Arizona, regardless of where the licensee is
2. The collection of debts made from an office in Arizona, regardless of where the debtor resides.
3. The collection of debts made on behalf of creditors who reside in Arizona, regardless of where the debtor and the collection agent reside.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Bond Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $250,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>$250,001 to $500,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>$500,001 to $750,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>$750,001 and over</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete  | AZ Collection Agency License  | Submitted via...
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INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS

No individual (MU2) documents are required to be uploaded into NMLS for this license/registration at this time.

REQUIREMENTS SUBMITTED OUTSIDE OF NMLS

Complete  | AZ Collection Agency License  | Submitted via...
---        | ---                         | ---

☐Primary Contact Person registration in Arizona eLicense portal  | Arizona eLicense portal

Notice to Applicant Pursuant to **A.R.S. § 41-1030**

An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a license requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

This section may be enforced in a private civil action and relief may be awarded against the State. The court may award reasonable attorney fees, damages and all fees associated with the license application to a party that prevails in an action against the state for a violation of this section.

A State employee may not intentionally or knowingly violate this section. A violation of this section is cause for disciplinary action or dismissed pursuant to the Agency’s adopted personnel policy.

This section does not abrogate the immunity provided by section 12-820.01 or 12-820.02.