



AZ Collection Agency License New Application Checklist (Company)

CHECKLIST SECTIONS

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- [License Fees](#)
- [Requirements Completed in NMLS](#)
- [Requirements/Documents Uploaded in NMLS](#)
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GENERAL INFORMATION

Note from AZ-DIFI: We ask that you provide the necessary information needed to make our decision within 10 days of the date we notify you of any deficiencies. This is to ensure the application can be processed and to avoid any undue delay. Untimely submissions, as detailed in the deficiency notice, will result in your application being withdrawn. If the application is withdrawn, application fees, if applicable, will be forfeited and the applicant will be required to submit a new application and application fee.

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...

- Active debt buying (undertakes direct collections on accounts)
- First party debt collection
- Judgement Recovery
- Passive debt buying (does not undertake direct collections on accounts)
- Third party debt collection

Pre-Requisites for License Applications

- 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 HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	AZ Collection Agency License	Submitted via...												
<input type="checkbox"/>	<p>AZ Application Fee: \$1,500</p> <p>AZ License/Registration Fee:</p> <table border="1" data-bbox="253 422 938 800"> <thead> <tr> <th data-bbox="253 422 610 478">If you apply in...</th> <th data-bbox="610 422 938 478">Your license fee will be...</th> </tr> </thead> <tbody> <tr> <td data-bbox="253 478 610 535">Jan/Feb/Mar</td> <td data-bbox="610 478 938 535">\$600.00</td> </tr> <tr> <td data-bbox="253 535 610 592">Apr/May/Jun</td> <td data-bbox="610 535 938 592">\$450.00</td> </tr> <tr> <td data-bbox="253 592 610 648">Jul/Aug/Sept</td> <td data-bbox="610 592 938 648">\$300.00</td> </tr> <tr> <td data-bbox="253 648 610 705">Oct</td> <td data-bbox="610 648 938 705">\$150.00</td> </tr> <tr> <td data-bbox="253 705 610 800">Nov/Dec</td> <td data-bbox="610 705 938 800">\$750.00 (includes following year renewal fee)</td> </tr> </tbody> </table> <p>NMLS Initial Processing Fee: \$0</p> <p>Note: The above fees apply to the cost for the initial license authority. See the Other Trade Name section below for more information.</p>	If you apply in...	Your license fee will be...	Jan/Feb/Mar	\$600.00	Apr/May/Jun	\$450.00	Jul/Aug/Sept	\$300.00	Oct	\$150.00	Nov/Dec	\$750.00 (includes following year renewal fee)	NMLS (Filing submission)
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<input type="checkbox"/>	<p>FBI Criminal Background Check for MU2 Individual: \$36.25 per person.</p>	NMLS (Filing submission)												

REQUIREMENTS COMPLETED IN NMLS

Complete	AZ Collection Agency License	Submitted via...
<input type="checkbox"/>	<p>Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.</p>	NMLS
<input type="checkbox"/>	<p>Financial Statements: Upload an Unaudited (not compiled/reviewed) financial statement prepared in accordance with Generally Accepted Accounting Principles dated within 90 days of your fiscal year end. Financial statements should include a balance sheet, income statement, and statement of cash flows and all relevant notes thereto. If applicant is a start-up company, only an initial statement of condition is required.</p> <p>The financial statement shall be sworn to by the applicant, if he is an individual or by a partner, director, manager or treasurer in its behalf if the applicant is a partnership, corporation or incorporated association.</p> <p>Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.</p>	NMLS

<input type="checkbox"/>	<p>Other Trade Name: If operating under a name that is different from the applicant’s legal name, that name “Trade Name” or “DBA” must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1) and a separate license type (i.e. Arizona Collection Agency License – Other Trade Name #) is required.</p> <p>Please be advised that applicants must hold a Collection Agency License - Other Trade Name for each other trade name listed in the <i>Other Trade Names</i> section of the Company Form (MU1) that is being used to conduct business in Arizona.</p> <p>AZ-DIFI does not allow more than five (5) other trade names.</p> <p>R20-4-1519. Licensee Names and Control</p> <p>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.</p> <p>The following fees will be charged when applying for the Collection Agency License - Other Trade Name.</p> <ul style="list-style-type: none"> • Application Fee: \$1,500 • AZ License/Registration Fee: <table border="1" data-bbox="386 888 1068 1266"> <thead> <tr> <th>If you apply in...</th> <th>Your license fee will be...</th> </tr> </thead> <tbody> <tr> <td>Jan/Feb/Mar</td> <td>\$600.00</td> </tr> <tr> <td>Apr/May/Jun</td> <td>\$450.00</td> </tr> <tr> <td>Jul/Aug/Sept</td> <td>\$300.00</td> </tr> <tr> <td>Oct</td> <td>\$150.00</td> </tr> <tr> <td>Nov/Dec</td> <td>\$750.00 (includes following year renewal fee)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • NMLS Initial Processing Fee: \$0 	If you apply in...	Your license fee will be...	Jan/Feb/Mar	\$600.00	Apr/May/Jun	\$450.00	Jul/Aug/Sept	\$300.00	Oct	\$150.00	Nov/Dec	\$750.00 (includes following year renewal fee)	<p>NMLS</p>
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<p>Complete</p>	<p>AZ Collection Agency License</p>	<p>Submitted via...</p>												
<input type="checkbox"/>	<p>Trade Name/Assumed Name Registration Certificates: If operating under an “Other Trade Name”, upload your Trade Name Certificate from the Arizona Secretary of State regarding ability to do business under that trade name.</p> <p>This document should be named <i>[State-License Type] Trade Name – Assumed Name</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Trade Name/Assumed Name Registration Certificates</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>												
<input type="checkbox"/>	<p>Resident/Registered Agent: The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1).</p>	<p>NMLS</p>												
<input type="checkbox"/>	<p>Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p>	<p>NMLS</p>												

	<ol style="list-style-type: none"> Primary Company Contact. This is the person whom will be notified of any important information that affects your license. This includes renewal notification and to whom your license will be emailed to. Primary Consumer Complaint Contact. This is the person to whom AZ-DIFI will send complaints to that have been filed with our agency. 	
Note	Non-Primary Contact Employees: AZ-DIFI does not require any non-primary contacts to be listed in the <i>Contact Employees</i> section of the Company Form (MU1).	N/A
Note	Bank Account: Bank account information is not required. The <i>Bank Account</i> section of the Company Form (MU1) can be left blank.	N/A
<input type="checkbox"/>	<p>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).</p> <p>See the Company Disclosure Explanations Quick Guide for instructions.</p>	Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).
<input type="checkbox"/>	<p>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). This individual must be listed in the <i>Qualifying Individual</i> section of Company Form (MU1) for Arizona.</p>	NMLS
<input type="checkbox"/>	<p>Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).</p>	NMLS
Note	Credit Report: Individuals in a position of control are NOT required to authorize a credit report through NMLS.	N/A
Complete	AZ Collection Agency License	Submitted via...
<input type="checkbox"/>	<p>MU2 Individual FBI Criminal Background Check Requirements: The following Individuals, as specified below, on the Company Form (MU1) are required to authorize a FBI criminal background check (CBC) through NMLS.</p> <p><i>Direct Owners</i></p> <ul style="list-style-type: none"> Only those individuals who have the power to vote more than 20% of the outstanding voting shares and have not had a CBC done during the previous 12 months. <p><i>Qualifying Individuals</i></p> <ul style="list-style-type: none"> Those individuals who have not had a CBC done during the previous 12 months. <p>After authorizing a FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.</p> <p>See the Criminal Background Check section of the NMLS Resource Center for more information.</p>	NMLS

	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.	
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REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	AZ Collection Agency License	Submitted via...										
<input type="checkbox"/>	<p>Surety Bond: Submit company bond, see chart below for applicable bond amount, furnished by a surety company authorized to conduct business in Arizona. The name of the principal insured on the bond must match exactly the full legal name of applicant, including any Other Trade Names. Click here to access the Bond Form.</p> <p>This document should be named <i>[License Type] Surety Bond</i>.</p> <p>Surety Bond Requirements Table</p> <p>A bond, computed on a base consisting of the gross annual income of the licensee generated from all business transacted in this state by the licensee during the preceding year, in the minimum amount as follows:</p> <table border="1" style="width: 100%; text-align: center;"> <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>	Amount	Bond Amount	Not over \$250,000	\$10,000	\$250,001 to \$500,000	\$15,000	\$500,001 to \$750,000	\$25,000	\$750,001 and over	\$35,000	<p>Upload in NMLS: under <u>Surety Bond</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
Amount	Bond Amount											
Not over \$250,000	\$10,000											
\$250,001 to \$500,000	\$15,000											
\$500,001 to \$750,000	\$25,000											
\$750,001 and over	\$35,000											

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...
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No items are required to be submitted outside of NMLS for this license/registration at this time.

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.