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 Untimely submissions, as detailed in the deficiency notice, will result in your application being withdrawn. If the application is withdrawn, application and license fees will be forfeited and the applicant will be required to submit a new application, application fee, and license fee.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?
This license is required of any person who is engaged, in whole or in part, in the business of purchasing retail installment contracts from one or more retail sellers. This license is also required of any person whom is engaged, in whole or in part, in the business of creating or holding motor vehicle retail installment contracts, exceeding a total aggregate outstanding indebtedness of $50,000. This License also includes any company commonly known as a title lender that allows consumers to borrow money based on the equity in their automobiles.

A.R.S. § Title 44, Chapter 2.1 - Sales Finance Companies

Activities Authorized Under This License
This license authorizes the following activities...

- Consumer loan servicing
- Sales finance company activities - motor vehicles
- Accounting/Billing servicing
- Sales finance company activities - general
- Consumer loan lending
- Bi-weekly payment processing services
- Industrial loan lending companies
- Other-Consumer Finance
- First party debt collection
- Judgement Recovery
- Non-mortgage loan modifications
- Repossession agency activities
- Repossession agent activities
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.

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 - All fees paid are final, NON-REFUNDABLE and not transferable. ARS § 6-126**

<table>
<thead>
<tr>
<th>Complete</th>
<th>AZ Sales Finance License</th>
<th>Submitted via...</th>
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<tbody>
<tr>
<td></td>
<td><strong>AZ Application Fee:</strong> $500</td>
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<td></td>
<td><strong>AZ License/Registration Fee:</strong></td>
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<td></td>
<td><strong>Application Submitted In</strong></td>
<td><strong>Fees</strong></td>
</tr>
<tr>
<td></td>
<td>Jan, Feb, Mar</td>
<td>250.00</td>
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<tr>
<td></td>
<td>Apr, May, June</td>
<td>625.00</td>
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<td></td>
<td>July, Aug, Sept</td>
<td>500.00</td>
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<td></td>
<td>Oct, Nov, Dec</td>
<td>375.00</td>
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<td></td>
<td><strong>NMLS Initial Processing Fee:</strong> $0</td>
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<td></td>
<td><strong>FBI Criminal Background Check for MU2 Individual:</strong> $36.25 per person.</td>
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**REQUIREMENTS COMPLETED IN NMLS**

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<tr>
<th>Complete</th>
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<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>
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<td></td>
<td><strong>Branches:</strong> If the company conducts sales finance business at other locations you will be required to apply for a Sales Finance Branch License. See the Sales Finance License Branch Application Checklist for more information.</td>
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<td><strong>Note</strong></td>
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<td></td>
<td><strong>Other Trade Name(s):</strong></td>
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<td></td>
<td>- List your DBA or Trade Name(s) used in Arizona in the “Other Trade Names” section of the Form MU1.</td>
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<td></td>
<td>- A separate license is no longer required for use of multiple trade names.</td>
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<td></td>
<td>- You may only transact business in the legal name of the entity and any name(s) approved and listed for Arizona under the Trade name section on the NMLS.</td>
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<td>- A licensee may not use an assumed name or trade name that either:</td>
<td></td>
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<tr>
<td></td>
<td>- Is so substantially similar to the assumed name or trade name of another department licensee that it may cause uncertainty or confusion among the public.</td>
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<td></td>
<td>- Tends to deceive or mislead the public as to the nature of business that the licensee conducts.</td>
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</table>
- A person using an approved assumed or trade name shall notify the AZ-DIFI within fifteen days after any material change to the name.
- It is recommended that each DBA or Trade Name is registered with the Arizona Secretary of State.

### 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.

**Financial Statements:** Upload an **Unaudited** financial statement prepared in accordance with Generally Accepted Accounting Principles dated within 12 months.

- Financial statements must include a balance sheet and should include income statements, statement of cash flows and all relevant notes thereto.
- The financial statement shall be sworn to by the applicant if the applicant is an individual, or by a partner, director, manager or treasurer on its behalf if the applicant is a partnership, corporation or incorporated association.

**Note:** Financial statements are uploaded separately under the Filing tab and Financial Statement submenu link. See the **Financial Statements Quick Guide** for instructions.

**Secondary Vehicle Finance Transactions:** Provide a statement indicating whether or not the Company will be engaged in Secondary Vehicle Finance Transactions (i.e. title loans or sale-leasebacks).

- Upload requested documentation directly into NMLS under “Additional Requirement(s)” in the Document Uploads section of the MU1.
- This document should be named **Sales Finance - Secondary Vehicle Finance Transactions**.

**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.

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

**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 to whom your license will be emailed to.
   - 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.

b. If step ‘a’ is not completed prior to application, AZ-DIFI will send an email to the primary contact person with instructions for registering 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.

<table>
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<tr>
<th>Note</th>
<th><strong>Non-Primary Contact Employees</strong>: AZ-DIFI does not require any non-primary contacts to be listed in the <em>Contact Employees</em> section of the Company Form (MU1).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td><strong>Bank Account</strong>: Bank account information is not required. The <em>Bank Account</em> section of the Company Form (MU1) can be left blank.</td>
</tr>
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<thead>
<tr>
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<tbody>
<tr>
<td>□</td>
<td><strong>Disclosure Questions</strong>: 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 <em>Company Disclosure Explanations Quick Guide</em> for instructions.</td>
<td>Upload in NMLS in the <em>Disclosure Explanations</em> section of the Company Form (MU1) or Individual Form (MU2).</td>
</tr>
<tr>
<td>Note</td>
<td><strong>Qualifying Individual</strong>: The <em>Qualifying Individual</em> section is not required to be completed for AZ-DIFI on the Company Form (MU1).</td>
<td>N/A</td>
</tr>
<tr>
<td>□</td>
<td><strong>Control Person (MU2) Attestation</strong>: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person and must be submitted with the Company Form (MU1).</td>
<td>NMLS</td>
</tr>
<tr>
<td>Note</td>
<td><strong>Credit Report</strong>: Individuals in a position of control are NOT required to authorize a credit report through NMLS.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
| □ | **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 a 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 | NMLS |
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.

**Note**

**Surety Bond:** A surety bond is not required for a Sales Finance License.

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**REQUIREMENTS SUBMITTED OUTSIDE OF NMLS**

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<tr>
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<tbody>
<tr>
<td></td>
<td>Primary Contact Person registration in Arizona eLicense portal</td>
<td>Arizona eLicense portal</td>
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**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.