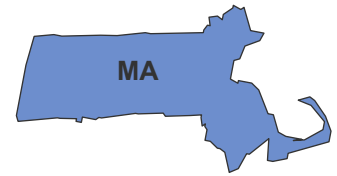




## Description



### MASSACHUSETTS SMALL LOAN COMPANY LICENSE

#### Who is required to have this license?

Any company or sole proprietorship that directly or indirectly engages in the business of making loans or engages, for a fee, commission, bonus or other consideration, in the business of negotiating, arranging, aiding or assisting a borrower or lender in procuring or making loans to Massachusetts borrowers primarily for personal, family or household purpose of \$6,000 or less and an interest rate that exceeds 12% (hereafter referred to as a “Small Loan”), regardless of whether such loans are actually made by that company/ sole proprietorship or by another party.

#### Who does not need this license?

- Any nonprofit, public or independent post-secondary educational institution within Massachusetts and authorized by law to grant degrees; provided that such institution does not take, receive, reserve or charge interest, expenses and other consideration for making a Small Loan, except in the event of prepayment or refinancing of any existing Small Loan within 18 months of the date the loan was made.
- Trust companies, savings banks, co-operative banks, savings and loan associations, credit unions, national banking associations, federal savings banks and federal savings and loan associations or federal credit unions or any subsidiary of the foregoing shall not be subject to the provisions of sections ninety-six to one hundred and fourteen, inclusive; provided, that such institutions may not take, receive, reserve or charge interest, expenses and other considerations for making or securing a loan of six thousand dollars or less in excess of those permitted by section one hundred.

#### What are the pre-requisites for license applications?

Net Worth: \$75,000 minimum, in accordance with the definition of ‘net worth’ per [209 CMR 20.02](#).

**WHO TO CONTACT** – Contact Division of Banks licensing staff by phone at 617-956-1500 ext. 61479 or send your questions via e-mail to [nmls@state.ma.us](mailto:nmls@state.ma.us) for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.