MD Sales Finance License
New Application Checklist (Company)

CHECKLIST SECTIONS

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

GENERAL INFORMATION

Who Is Required to Have This License?

This license is required for any person (defined in Md. Code Ann., Fin. Inst. §1-101) who engages, whether by purchase, discount, pledge, loan, or otherwise, in the business of acquiring, investing in, or lending money or credit on the security of any interest in (1) installment sale agreements made between other parties; (2) retail credit accounts (defined in Md. Code Ann., Com. Law §12-501), made between other parties; or (3)secured home improvement (defined in Md. Code Ann., Bus. Reg. § 8-101) transactions made between other parties. Refer to Md. Ann. Code, Fin. Inst. §11-401 *et seq*., for legal requirements.

Activities Authorized Under This License

This license authorizes the following activities…

- Sales finance company activities - motor vehicles
- Sales finance company activities - general

Pre-Requisites for License Applications

Maryland Office of Financial Regulation does provide a paper license 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 *Maryland Office of Financial Regulation* licensing staff by phone at *(410) 230-6100 or toll free at 888-784-0136,* or send your questions via email to *finreg.licensing@maryland.gov* for additional assistance.

For U.S. Postal Service or Overnight Delivery:
Maryland Office of Financial Regulation
Attention: Licensing Unit
1100 N. Eutaw Street/Suite 611
Baltimore, MD 21201

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	**MD Sales Finance License**	**Submitted via…**
☐	**MD License/Registration Fee**: $125 **MD Application Fee**: $100 This is the Maryland application investigation fee. **NMLS Initial Processing Fee**: $0	**NMLS (Filing submission)**

REQUIREMENTS COMPLETED IN NMLS		
Complete	**MD Sales Finance License**	**Submitted via…**
☐	**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.	**NMLS**
☐	**Financial Statements:** Upload a current (within the last 12 months) **Unaudited-Reviewed or Audited** financial statement prepared by a public accounting firm or Certified Public Accountant (CPA) 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. The statement should include assets, liabilities, net worth, and income. Corporations or LLC's that do not otherwise have access to an audited or reviewed financial statement may submit an Accountant's Compilation Report that must be certified by the CEO as true and accurate and must be notarized. If the business is a new entity, the following is acceptable: a balance sheet for the entity by a public accounting firm or CPA and current financial statement(s) for the President and any stockholder who owns or controls 10% or more of the Corporation or LLC. The personal financial statement must be signed and must contain a statement attesting, under penalty of perjury, that the information is correct.	**NMLS** **Note**: Financial statements are uploaded separately under the Filing tab and *Financial Statement* submenu link. See the Financial Statements Quick Guide for instructions.
☐	**Other Trade Name:** If operating under a name that is different from the applicant's legal name, that name ("Trade Name", "Assumed Name" or "DBA") must be listed under the *Other Trade Names* section of the Company Form (MU1). MD does not limit the number of other trade names. If operating under an "Other Trade Name", upload a trade name registration certificate issued by the Maryland Department of Assessments and Taxation. This document should be named *[State-License Type] Trade Name – Assumed Name*.	**NMLS** **Upload in NMLS:** under the Document Type Trade Name/Assumed Name Registration Certificates in the *Document Uploads* section of the Company Form (MU1).

Complete	MD Sales Finance License	Submitted via…
☐	**Resident/Registered Agent:** The Resident Agent must be listed under the *Resident/Registered Agent* section of the Company Form (MU1) and must match the information currently on record with MD.	**NMLS**
☐	**Primary Contact Employees**: The following individuals must be entered into the *Contact Employees* section of the Company Form (MU1). 1. **Primary Company Contact.** 2. **Primary Consumer Complaint Contact.**	**NMLS**
Note	**Non-Primary Contact Employees**: MD does not **require** any non-primary contacts to be listed in the *Contact Employees* section of the Company Form (MU1).	**N/A**
Note	**Bank Account:** Bank account information is not required. The *Bank Account* section of the Company Form (MU1) can be left blank.	**N/A**
☐	**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.	**Upload in NMLS** in the *Disclosure Explanations* section of the Company Form (MU1) or Individual Form (MU2).
Note	**Qualifying Individual:** The *Qualifying Individual* section is not required to be completed for MD on the Company Form (MU1).	**N/A**
☐	**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).	**NMLS**
Note	**Credit Report:** Individuals in a position of control are NOT required to authorize a credit report through NMLS.	**N/A**
Note	**MU2 Individual FBI Criminal Background Check Not Required Through NMLS:** Direct Owners/Executive Officers, Indirect Owners, and Qualifying Individuals are NOT required to authorize a FBI criminal background check (CBC) through NMLS.	**N/A**

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	**MD Sales Finance License**	**Submitted via…**
☐	**Branch Offices:** Maryland does not issue branch licenses. Branch offices are considered licensed under the Company license if they are properly disclosed to the Commissioner. Provide a list of branch offices conducting Maryland business, showing the effective date of the list, and, for each branch, the address of the branch and the trade name(s) used at the branch. Lists must be updated when a branch is opened, closed, or moved, or when a trade name or branch manager is changed. The format for the list may be found here https://www.labor.maryland.gov/finance/industry/frbranchlistformat.xlsx. **NOTE:** An updated list must be uploaded whenever a branch location is opened or closed, or when there is a change of branch address, trade name, or branch manager. This document should be named *[Company Legal Name] Maryland Branch List.*	**Upload in NMLS:** under the Document Type Additional Requirements in the *Document Uploads* section of the Company Form (MU1).

☐	**Business Plan:** Upload a business plan outlining the following information: • Marketing strategies • Products • Target markets • Fee schedule • Operating structure the applicant intends to employ. • A general description of the company's business model. • A list of services contemplated to be offered to Maryland consumers. • A list of vendor or affiliate relationships, and the activities and/or services that the proposed vendors or affiliates will provide. • A current (within the last 12 months) business credit report. If a business credit report is not available, or if the business is a new entity, a current personal credit report(s) needs to be provided for the president and any stockholder who owns or controls 10% or more of the Corporation or LLC. ***Individual Credit Reports SHOULD NOT BE UPLOADED as part of the Business Plan. They should be process through the Individual Form (MU2). See the Individual (MU2) Credit Report Quick Guide for more information.*** • Answer the following questions regarding Maryland business activity: 1. Has applicant ever engaged in any sales finance business activity in Maryland? Yes No If "Yes," provide an explanation as noted in questions 2 and 3 below. 2. If the answer to #1 is "Yes," did applicant hold a Maryland sales finance license at the time consumer loan business activity was conducted? Yes No If "Yes," provide Maryland sales finance license No. _____ 3. If the answer to #2 is "No," was applicant exempt from licensing during all of the time that sales finance business activity was conducted? Yes No If "Yes," provide an explanation of exemption claimed as instructed below. 4. EXPLANATION OF MARYLAND BUSINESS ACTIVITY: If applicant engaged in sales finance business activity other than while licensed or exempt from licensing, attach a detailed explanation that includes: ○ a) Date(s) sales finance activity was conducted; ○ b) Name(s) of each consumer involved; ○ c) Amount of fees collected from each consumer;	**Upload in NMLS:** under the Document Type Business Plan in the *Document Uploads* section of the Company Form (MU1). This document should be named *[Company Legal Name] Business Plan*.

	○ d) Copies of related consumer correspondence; ○ e) All locations where sales finance business activity was conducted; and ○ f) All other relevant documentation. 5. Have YOU ever applied for and been denied a license issued by the Department of Labor or any other governmental unit of Maryland or any other state? Yes No ___For each denial, describe license type, identification of the unit that denied, date of the denial and reason(s) for the denial. "You" refers to any persons, including owners, partners, members, directors, officers and control persons, that are part of the registration, including any business entity. If a business entity is the owner, than the response must be from the persons that are part of that entity. 6. Have YOU ever been issued a license by the Commissioner? Yes No For each license, list license type, the name used, the license number and term. 7. Will YOU be or are YOU now directly or indirectly paying or providing any form of compensation to any person other than a bona fide employee for referrals to the licensed business? Yes _____ No Provide a written description of the relationship and any applicable supporting documentation. **Note:** If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan.	
☐	**Certificate of Authority/Good Standing Certificate:** If the applicant's state of formation is not Maryland, upload State-issued and approved documents (typically by the Secretary of State's office), dated not more than 60 days prior to the filing of the application through NMLS, that demonstrate authorization to do business in the applicant's state of formation. This document should be named *[[State prefix] Certificate of Authority OR [State prefix] Certificate of Good Standing].*	**Upload in NMLS:** under the Document Type Certificate of Authority/Good Standing Certificate in the *Document Uploads* section of the Company Form (MU1).
☐	**Document Samples:** Upload copies of the following sample documents used in the regular course of business in connection with this license: ☐ Copies of representative contracts, consumer agreements, disclosures, and any other relevant documents that are required by Maryland law to be used in the proposed business activities. This document should be named *[Name of Document Sample].*	**Upload in NMLS:** under Document Samples in the *Document Uploads* section of the Company Form (MU1).

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☐	**Formation Documents:** Determine classification of applicant's legal status and submit a State certified copy of the requested applicable documentation detailed below. Original formation documents and all subsequent amendments, thereto including a list of any name changes. **Sole Proprietor** • No documents required. **Unincorporated Association:** • By-Laws or constitution (including all amendments). **General Partnership:** • Partnership Agreement (including all amendments). **Limited Liability Partnership:** • Certificate of Limited Liability Partnership; and • Partnership Agreement (including all amendments). **Limited Partnership:** • Certificate of Limited Partnership; and • Partnership Agreement (including all amendments). **Limited Liability Limited Partnership:** • Certificate of Limited Liability Limited Partnership; and Partnership Agreement (including all amendments). **Limited Liability Company ("LLC"):** • Articles of Organization (including all amendments); • Operating Agreement (including all amendments); • IRS Form 2553 or IRS Form 8832 if S-corp treatment elected; and LLC resolution if authority not in operating agreement. **Corporation:** • Articles of Incorporation (including all amendments); • By-laws (including all amendments), if applicable; • Shareholder Agreement (including all amendments), if applicable; • IRS Form 2553 if S-corp treatment elected; and • Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable. **Trust (Statutory)** • Certificate of Trust; and • Governing instrument (all amendments).	**Upload in NMLS:** under Formation Document" in the *Document Uploads* section of the Company Form (MU1). This document should be named *Formation Documentation [Date of Creation (MM-DD-YYYY)].*
☐	**Management Chart:** Submit a Management chart displaying the applicant's directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure. This document should be named *[Company Legal Name] Management Chart*. **Note:** If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.	**Upload in NMLS:** under Management Chart in the *Document Uploads* section of the Company Form (MU1).

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☐	**Organizational Chart/Description:** Submit a chart showing (or a description which includes) the percentage of ownership of: • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the applicant/licensee This document should be named *[Company Legal Name] Organizational Chart – Description.* **Note:** If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.	**Upload in NMLS:** under Organizational Chart/Description in the *Document Uploads* section of the Company Form (MU1).
INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS		
☐	**Legal Name/Status Documentation:** Upload legal documentation of legal name or legal status. This may be certified copies of divorce decree, marriage certificate, copy of driver's license, passports, etc. This document should be named *[Document Name]* (Ex. Driver's License, Marriage Certificate, etc.).	**Upload in NMLS:** under the Document Type Legal Name/Status Documentation in the *Document Uploads* section of the Individual Form (MU2).
REQUIREMENTS SUBMITTED OUTSIDE OF NMLS		
Complete	**MD Sales Finance License**	**Submitted via…**
No items are required to be submitted outside of NMLS for this license/registration at this time.		