MD Sales Finance License Transition Checklist (Company)

CHECKLIST SECTIONS

GENERAL INFORMATION

Transition to NMLS

Companies holding the Maryland Commissioner of Financial Regulation (MD) Sales Finance License are required to submit a license transition request through NMLS by filing a Company Form (MU1) and an Individual Form (MU2) for each of their control persons by September 30th, 2017. The MD Sales Finance License will be available in NMLS to submit the transition request starting August 1st, 2017. The transition to NMLS for this license is *required.*

Additionally, for each branch holding a MD Sales Finance Branch License, a company must complete and submit a Branch Form (MU3) through NMLS.

> **Note:** If you already have a record in NMLS and have submitted these forms in the past, you do not need to re-enter your company information into NMLS. You will only need to identify the business activities your company conducts and the states in which the various activities are conducted. Then, you will select the appropriate license in MD, and complete a few state-specific fields.

It is important that current licensees have the appropriate transition number available when completing and submitting their Company Form (MU1), so they are not charged a new application fee. Your transition number will be your existing Maryland sales finance license number, beginning with "01-#### ".

Any licensee that needs to amend or surrender a license (or execute any other action previously completed in paper form must complete these actions within NMLS from August 1st, 2017 onward. Paper forms will not be accepted after August 1st, 2017. MD encourages current licensees to update their information with MD by July 15, 2017, so there will be no pending changes to submit at the time of transition.

Activities Authorized Under This License

This license authorizes the following activities…

- Retail installment selling
- Sales finance company activities - motor vehicles
- Sales finance company activities - general

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 transition.
- 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

- Transitioning an Existing Company License Quick Guide
- 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 Commissioner 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 Commissioner of Financial Regulation
Attention: Licensing Unit
500 N. Calvert St., Suite 402
Baltimore, MD 21202

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…**
Note	**MD License/Registration Transition Fee:** $0 **NMLS Transition Processing Fee**: $0	**N/A**

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 transition request for the license/registration through NMLS. See the Transitioning an Existing License Quick Guide for instructions on how to submit the transition request. ***When selecting your license in the Company Form (MU1), you will be asked to enter your existing license number. Be sure to enter your existing Maryland sales finance license number, beginning with "01-#### ".*** **All current licensees/registrants must transition their license onto NMLS on or before September 30th, 2017.**	**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 contain a statement attesting, under penalty of perjury, that the information is correct. ***For NMLS transition purposes, you may provide the most recent statement previously provided to the Commissioner.***	**NMLS** **Note:** Financial statements are uploaded separately under the Filing tab and *Financial Statement* submenu link. See the Financial Statements Quick Guide for instructions.

Complete	MD Sales Finance License	Submitted via…
☐	**Other Trade Name:** If operating under a name that is different from the licensee'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).
☐	**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…**
☐	**Business Plan:** Upload a business plan outlining the following information: • Marketing strategies • Products • Target markets • Fee schedule • Operating structure the licensee intends to employ. • A general description of the company's business model. • A list of services offered to Maryland consumers. • A list of vendor or affiliate relationships, and the activities and/or services that the vendors or affiliates 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. For NMLS transition purposes, you may provide the most recent report previously provided to the Commissioner. ***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.*** **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.	**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*.
☐	**Certificate of Authority/Good Standing Certificate:** Upload a State-issued and approved document (typically by the Secretary of State's office), dated not more than 60 days prior to the filing of the application through NMLS that demonstrates authorization to do business in the licensee's state of formation and MD. 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).

Complete	MD Sales Finance License	Submitted via…
☐	**Formation Documents:** Determine classification of licensee'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 licensee'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).

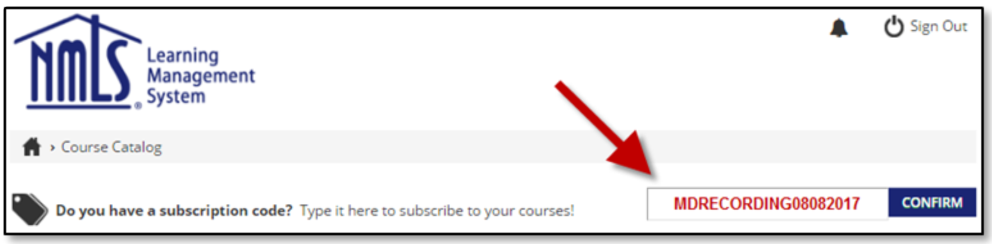
Complete	MD Sales Finance License	Submitted via…
☐	**Organizational Chart/Description:** Submit a chart showing (or a description which includes) the percentage of ownership of: • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the 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).
☐	**Trust Account Authorization:** Submit authorization allowing examination of trust accounts used for the purpose of holding funds belonging to others. May require multiple documents when more than one account exists. Upload each account authorization separately. This document should be named *[License Type]; [Indicate State]; [last 5 digits of account number]. (eg. Debt Management, MD, xxxxx)* .	**Upload in NMLS:** under Trust Account Authorization 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.		

RECORDING OF NMLS TRANSITION TRAINING

Follow the instructions below to watch the recorded webinar for the **MD Consumer Finance, Debt and Money Services Businesses Related Companies Transition to NMLS - August 8th, 2017 (Recording).**

1. Go to https://www.csbstraining.org/lms/
2. Click the ***Register*** link in the top right corner.
3. Complete all fields marked by a red asterisk (*).
    a. **Select "State-Licensed" for User Type.**
4. After completing all fields, a confirmation email is sent. Check your Spam folder.
5. Click the link in the confirmation email that is sent from LMSAdmin@csbs.org.
6. A new tab or window opens in your browser confirming your registration, allowing you to log in.
7. **Log in to the LMS and enter the subscription code: MDRECORDING08082017.**



8. The recorded webinar is then available in **My Courses.**