



MI Consumer Financial Services Class II License New Application Checklist (Company)

CHECKLIST SECTIONS

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GENERAL INFORMATION

Who Is Required to Have This License?

Any sole proprietor or company who, intends to engage in all of the activities permitted under any of the following financial licensing acts: Credit Card Arrangements Act, 1984 PA 379; Money Transmission Services Act, 2006 PA 250; Motor Vehicle Sales Finance Act, 1950 PA 27; Regulatory Loan Act, 1939 PA 21; Secondary Mortgage Loan Act, 1981 PA 125 (except loan servicing activities under the Secondary Mortgage Loan Act)

Any sole proprietor or company may apply for and obtain a Class II license and receive authority to conduct activities under this one license instead of applying for and receiving separate licenses or registrations under each statute as mentioned above.

Reference to the Consumer Financial Services Act, 1988 PA 161

<http://legislature.mi.gov/doc.aspx?mcl-Act-161-of-1988>

Michigan Department of Insurance and Financial Services does 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 Office of Consumer Finance by phone at (877) 999-6442 or send your questions via email to difs-fin-info@michigan.gov for additional assistance.

Upon submitting the application, email this checklist to the analyst assigned to process the application (see link):

<https://mortgage.nationwidelicensingsystem.org/contact/Pages/StateAgencyContacts.aspx?state=MI>

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	MI Consumer Financial Services Class II License	Submitted via...
<input type="checkbox"/>	MI License/Registration Fee: \$3,450 MI Application Fee: \$1,050 NMLS Initial Processing Fee: \$100	NMLS (Filing submission)
<input type="checkbox"/>	Uniform Authorized Agent Reporting Annual Processing Fee: An annual fee of twenty-five cents (\$0.25) for each active authorized agent/delegate location reported through NMLS is invoiced on November 1st. There is no fee for the first 100 active agents reported (Companies with 100 agents or less are not subject to the UAAR Processing Fee). The fee is capped at \$25,000 per licensee in any one year. The invoiced amount is based on the number of active agents in the system as of August 16th, (day after third quarter reporting deadline). See the Uniform Authorized Agent Reporting Processing Fee Fact Sheet for more information. Note: This is only required if conducting money transmission services.	NMLS (Agency Fee Invoice)

REQUIREMENTS COMPLETED IN NMLS		
Complete	MI Consumer Financial Services Class II License	Submitted via...
<input type="checkbox"/>	Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license through NMLS.	NMLS
<input type="checkbox"/>	Electronic Surety Bond: Electronic Surety Bond via NMLS in the amount of \$500,000 (including if applicant conducts Money Transmission activities with 50 or less locations/delegates) or \$1,500,000 (if applicant conducts Money Transmission activities with more than 50 locations/delegates) furnished and submitted by a surety company authorized to conduct business in Michigan. See the ESB Adoption Table and the ESB for NMLS Licensees page of the NMLS Resource Center for more information. Note: This company bond is not to be used for the MLO bond requirement.	Electronic Surety Bond in NMLS
<input type="checkbox"/>	Financial Statements: Upload an audited financial statement prepared by a Certified Public Accountant or unaudited signed by an executive officer in accordance with Generally Accepted Accounting Principles dated within 12 months. You may use financial statement form FIS 2053 . Applicant's minimum net worth is based upon the Michigan law for which the applicant is conducting activities. The financial statement must illustrate a company's minimum net worth of \$100,000; \$1,000,000 if conducting credit card activity; or \$100,000 plus an additional \$25,000 for each location or authorized delegate up to a maximum of \$1,000,000 if conducting money transmission services. Note: The financial statement should be for the company applying. Do not upload a personal financial statement unless you are applying as a sole proprietorship. 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.	NMLS
<input type="checkbox"/>	Authorized Agents (Delegates) Locations: Licensees must use the NMLS Uniform Authorized Agent Reporting (UAAR) functionality to report Authorized Agents. Upon license approval, applicants are required to utilize the UAAR to upload a list of agents who are authorized to conduct money transmission business in the state of <i>Michigan</i> on the Applicant's behalf. Agent adjustments (additions, deletions, and modifications) must be submitted through the UAAR on a <i>quarterly</i> basis, even if there are no changes to report. For more information, consult the NMLS Resource Center . Note: This is only required if conducting money transmission services.	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", "Assumed Name" or "DBA") must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1). Michigan does not limit the number of other trade names.</p> <p>All assumed names must first be registered with the Michigan Corporation Division (ph. 517-241-6470; website www.michigan.gov/corporations). If operating under an "Other Trade Name", upload a separate State issued and approved document for each assumed name regarding the 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>NMLS</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) and must match the information currently on record with Michigan Corporation Division.</p> <p>Note: If you are not required to register with the Michigan Corporation Division, you must list a Michigan resident or Michigan business entity as the Resident/Registered Agent.</p>	NMLS
<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> <ol style="list-style-type: none"> 1. Primary Company Contact. 2. Primary Consumer Complaint Contact. 	NMLS
<input type="checkbox"/>	<p>Bank Account: Bank account information is not required. The <i>Bank Account</i> section of the Company Form (MU1) can be left blank.</p> <p>Note: This is only required if conducting money transmission services.</p>	N/A or NMLS
<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: Qualifying Individual is an individual responsible for the Michigan operations of the applicant. This individual must be listed in the <i>Qualifying Individual</i> section of Company Form (MU1).</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	<p>Credit Report: Individuals in a position of control are NOT required to authorize a credit report through NMLS, although it is recommended since it is a soft pull. Michigan's credit report will be a hard pull.</p>	N/A or NMLS

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
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REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	MI Consumer Financial Services Class II License	Submitted via...
<input type="checkbox"/>	<p>Business Plan: Upload a business plan outlining the following information:</p> <ul style="list-style-type: none"> Marketing strategies Products Target markets Fee schedule Operating structure the applicant intends to employ. <p>This document should be named <i>[Company Legal Name] Business Plan</i>.</p> <p>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.</p>	<p>Upload in NMLS: under the Document Type <u>Business Plan</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Certificate of Authority/Good Standing Certificate: All entities, except individuals, must first be registered with the Michigan Corporation Division (ph. 517-241-6470; website www.michigan.gov/corporations). Upload a State-issued and approved document from the Michigan Corporation Division, dated not more than 60 days prior to the filing of the application through NMLS, that demonstrates authorization to do business in Michigan.</p> <p>This document should be named <i>[[State prefix] Certificate of Authority OR [State prefix] Certificate of Good Standing]</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Certificate of Authority/Good Standing Certificate</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>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.</p> <p>The Michigan authority to conduct business, articles of incorporation, articles of organization, or articles of partnership must be amended and confirmed by uploading evidence of the change. Contact the Michigan Corporation Division (ph. 517- 241-6470; website www.michigan.gov/corporations) or applicable county clerk's office.</p> <p>This document should be named <i>Formation Documentation [Date of Creation (MM-DD-YYYY)]</i>.</p> <p>Sole Proprietor</p> <ul style="list-style-type: none"> County assumed name filing. <p>Unincorporated Association:</p> <ul style="list-style-type: none"> By-Laws or constitution (including all amendments). <p>General Partnership:</p> <ul style="list-style-type: none"> Partnership Agreement (including all amendments). <p>Limited Liability Partnership:</p>	<p>Upload in NMLS: under <u>Formation Document</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

	<ul style="list-style-type: none"> • Certificate of Limited Liability Partnership; and • Partnership Agreement (including all amendments). <p>Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Partnership; and • Partnership Agreement (including all amendments). <p>Limited Liability Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Liability Limited Partnership; and • Partnership Agreement (including all amendments). <p>Limited Liability Company (“LLC”):</p> <ul style="list-style-type: none"> • 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. <p>Corporation:</p> <ul style="list-style-type: none"> • 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. <p>Not for Profit Corporation</p> <ul style="list-style-type: none"> • Documents requested of a Corporation; and • Proof of nonprofit status <ul style="list-style-type: none"> ○ Internal Revenue Service (“IRS”) 501(c)(3) designation letter; or ○ statement from a State taxing body or the State attorney general certifying that: (i) the entity is a nonprofit organization operating within the State; and (ii) no part of the entity’s net earnings may lawfully benefit any private shareholder or individual; or ○ entity's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or ○ Any of the three preceding items described, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate. <p>Trust (Statutory)</p> <ul style="list-style-type: none"> • Certificate of Trust; and • Governing instrument (all amendments). 	
<input type="checkbox"/>	<p>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.</p> <p>This document should be named <i>[Company Legal Name] Management Chart</i>.</p> <p>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.</p>	<p>Upload in NMLS: under <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p>Organizational Chart/Description: Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the applicant/licensee <p>This document should be named <i>[Company Legal Name] Organizational Chart – Description</i>.</p> <p>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.</p>	<p>Upload in NMLS: under <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Business Relationships: Provide a list of names and business addresses of the three primary licensees, registrants, or exempt institutions that applicant will broker, assign mortgage loans, or service mortgage loans (i.e., lenders, servicers). Note that under Michigan law, a licensee/registrant may broker or assign loans only to licensees, registrants, or exempt institutions.</p> <p>This document should be named <i>Michigan – Business Relationships</i>.</p>	<p>Upload in NMLS: under <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Description of Servicing Business: Servicing policies and procedures are not required to be submitted, but at a minimum submit the following: a description of applicant’s servicing business, stating whether it will service its own loans or loans of other companies; person or firm responsible for quality control and their experience in quality control; sample of monthly statement of borrower’s account; sample “hello” and “goodbye” letters; person who will be responsible for the Michigan portfolio of loans, detailing knowledge and experience of Michigan law with regard to escrow, discharge of mortgages, payment history to borrowers, and annual preparation.</p> <p>Note: If applicant is acting as a master servicer ONLY, provide the name of the third party mortgage servicer and a copy of the sub-servicing agreement.</p> <p>This document should be named <i>Michigan – Description of Servicing Business</i>.</p>	<p>Upload in NMLS: under <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Branch Locations: While Michigan does not license branch locations (except for money transmission services), provide a list of branch locations that will conduct business with Michigan consumers.</p> <p>This document should be named <i>Michigan – Branch Locations</i>.</p> <p>Note: This is only required if conducting money transmission services.</p>	<p>Upload in NMLS: under <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Direct Ownership Verification: Provide copies of stock certificates, operating agreement, or other legal documentation to support 100% direct ownership. Also, if the direct ownership or indirect ownership (two tiers of indirect) does not reflect 100% ownership on the MU1 filing, provide a complete detailed spreadsheet listing owners’ names and percentages.</p> <p>This document should be named <i>[Company Legal Name] Direct Ownership Verification</i>.</p>	<p>Upload in NMLS: under <u>Formation Document</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p>Mortgage Loan Originator List: Provide a list of individuals that will obtain or currently hold a Michigan mortgage loan originator license that will be sponsored by the applicant. The list should include the name of the individuals and their NMLS ID numbers.</p> <p>This document should be named <i>Michigan – MLO List</i>.</p>	<p>Upload in NMLS: under <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Other Licenses Held By Company/Control Person: Provide a list of present/past professional licenses issued by Michigan or other states (i.e. real estate, securities, insurance, CPA, attorney). Do not list any licenses held in NMLS (company or MLO).</p> <p>This document should be named <i>Michigan – Professional License List</i>.</p>	<p>Upload in NMLS: under <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS		
<input type="checkbox"/>	<p>Credit Report Explanations: Submit a line by line, detailed letter of explanation of all derogatory credit accounts along with proof of payoffs, payment arrangements and evidence of payments made, or evidence of any formal dispute filed (documents must be dated). Accounts to address include, but are not limited to: collections items, charge offs, accounts currently past due, accounts with serious delinquencies, repossessions, loan modifications, etc.</p> <p>Note: Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the <i>Disclosure Explanations</i> section of your Individual Form (MU2).</p> <p>This document should be named <i>Credit Report Explanations – Sub Name – Document Creation Date</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Credit Report Explanations</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>