

Phase Two Requirements for California

Note: This checklist is meant for those companies participating in the Multistate Money Services Businesses Licensing Agreement (MMLA) Program. [Click here](#) for more information on the MMLA.

If you are NOT participating in the MMLA, but are interested in applying for the California Department of Financial Protection and Innovation Money Transmitter License, [click here](#) to access the New Application Checklists.

Complete	CA-DFPI Money Transmitter License - Phase Two Requirements	Submitted via...
<input type="checkbox"/>	Pre-Filing Meeting: It is highly recommended that the applicant arrange for a pre-filing meeting with the CA-DFPI Money Transmitter Division staff. Contact Money Transmission Portfolio Managers via mt.inquiries@dfpi.ca.gov .	Contact DFPI Portfolio Manager to arrange electronic delivery
<input type="checkbox"/>	Financial Statements: Financial statements must be <u>audited</u> . If you are a start-up company, only an initial statement of condition is required. Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide .	NMLS
<input type="checkbox"/>	Authorized Agents (Delegates) Locations: Upon license approval, you must use the UAAR upload a list of agents who are authorized to conduct money transmission business in the state of California on your behalf. Agent adjustments (additions, deletions, and modifications must be submitted on a quarterly basis, even if there are no changes to report.	NMLS For more information, consult the NMLS Resource Center .
<input type="checkbox"/>	Surety Bond: After an application has been approved by the Commissioner, upload a company bond furnished by a surety company authorized to conduct business in the state of California. The name of the principal insured on the bond must match exactly the full legal name of the licensee. Titled: <i>MT Surety Bond</i> .	Contact DFPI Portfolio Manager to arrange electronic delivery
<input type="checkbox"/>	Trade Name: If operating under an "Other Trade Name" or "dba", upload a file endorsed copy of the fictitious business name statement filed in accordance with Chapter 5, commencing with Section 17900, of the California Business and Professions Code for each trade name or dba you intend to use in California. Titled: <i>CA Trade Name</i> .	Upload in NMLS: under Trade Name/Assumed Name Registration Certificates in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	Document Samples: Upload copies of the following sample documents used in the regular course of business in connection with this license, including: <ul style="list-style-type: none"> • Sample form of receipt for transactions that involve money received for transmission, if applicable • Sample form of payment instrument or instrument upon which stored value is recorded, if applicable 	Upload in NMLS: under Document Samples in the <i>Document Uploads</i> section of the Company Form (MU1). Titled: [Name of Document Sample].

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<input type="checkbox"/>	DFPI Form 5025: Submit a signed and acknowledged Form 5025 .	Contact DFPI Portfolio Manager to arrange electronic delivery
<input type="checkbox"/>	DFPI Form 2: Submit an original DFPI Form 2 for each control person.	Contact DFPI Portfolio Manager to arrange electronic delivery
<input type="checkbox"/>	DFPI Form 550: Submit a signed Form 550 .	Contact DFPI Portfolio Manager to arrange electronic delivery
<input type="checkbox"/>	DFPI Form 4030: Submit a signed and acknowledged Form 4030 .	Contact DFPI Portfolio Manager to arrange electronic delivery
<input type="checkbox"/>	<p>Board Authorizations: Provide a copy of a resolution of the board of directors that is certified by the secretary or by an assistant secretary of the applicant:</p> <ul style="list-style-type: none"> a. Authorizing the applicant to apply for a license to engage in the business of receiving money for the purpose of transmitting the same or its equivalent application; b. Authorizing the Commissioner to examine the applicant in connection with the application; c. Authorizing and directing all directors, officers, and employees of the applicant and any person having custody of any of the records of the applicant, to furnish to the Commissioner such information, and to permit the Commissioner to inspect and copy such records, as the Commissioner may request in connection with the application; d. Authorizing any bank or other financial institution with which the applicant has transacted business to furnish to the Commissioner such information, and to permit the Commissioner to inspect and copy such records, as the Commissioner may request in connection with the application; and e. Authorize any government agency which licenses or regulates transmitters of money, issuers of payment instruments, issuers of travelers checks, or other financial institutions and which has information or records regarding the applicant, to furnish to the Commissioner such information, and to permit the Commissioner to inspect and copy such records, as the Commissioner may request in connection with the application. 	Contact DFPI Portfolio Manager to arrange electronic delivery
<input type="checkbox"/>	Banking References: Provide the name, business address, and telephone number of at least two banking references for the applicant.	Contact DFPI Portfolio Manager to arrange electronic delivery

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<input type="checkbox"/>	<p>Information Regarding Branches and Agents: Provide an estimate of the applicant's proposed branches and agents in this state at the end of its first, second, and third year of operations in this state, and the locations in this state where the applicant and its agents propose to engage in money transmission. If applicant has or proposed to have branches or agents <u>outside of California</u>, provide:</p> <ol style="list-style-type: none"> 1. The current number of branches of applicant located outside of California; 2. The estimated number of branches of applicant outside of California as of the end of one year; 3. The current number of agent branches located outside of California; and 4. The estimated number of agent branches located outside of California as of the end of one year. 	<p>Contact DFPI Portfolio Manager to arrange electronic delivery</p>
<input type="checkbox"/>	<p>Pro Forma Financial Statements:</p> <ol style="list-style-type: none"> 1. Provide a pro forma statement of income as of the end of each quarter of the first year, as of the end of each half year of the second year, and as of the end of the third year of operations. Include the basis for the projections. 2. Provide a pro forma balance sheet for the business as of the end of each quarter of the first year, as of the end of each half year of the second year, and as of the end of the third year of operations. Please identify outstanding transmission liability for California and for the rest of the United States in the projections. Also, describe any assumptions used as a basis for the projections. 3. Provide Average Daily Total Liability projections for California as of the end of each quarter of the first year, as of the end of each half year of the second year, and as of the end of the third year of operations. 4. Also, state the highest, lowest, and average number of days that applicant estimates will elapse between receipt of funds and delivery of funds. 	<p>Contact DFPI Portfolio Manager to arrange electronic delivery</p>
<input type="checkbox"/>	<p>Provide a Confidential Resume and a Current Personal Financial Statement each completed and signed as of a date within 90 days before the filing of the application by each director, executive officer, or 10% equity security owner of applicant. Use Interagency Biographical and Financial Report or DFPI Form 2 and Form 3.</p>	<p>Contact DFPI Portfolio Manager to arrange electronic delivery</p>

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<div data-bbox="138 919 178 961" data-label="Image"></div>	<p>Information Regarding OFAC Compliance: Describe in detail how the applicant proposed to comply with the laws administered by the Office of Foreign Assets Control (“OFAC”), including the following:</p> <ol style="list-style-type: none"> 1. The procedures to be followed by the applicant in monitoring compliance by the applicant and by any agent of the applicant with the regulation of OFAC (Chapter V (commencing with Section 500) of Title 31 of the United State Code). 2. Matching the names of persons on OFAC’s list of Specially Designated National and Blocked Persons (“SDN”): <ol style="list-style-type: none"> a. If automated: the identity of the software to be utilized; a general description of the software’s capabilities in relation to monitoring compliance with OFAC regulations; and whether the software will reject a transaction involving a person on OFAC’s lists or whether the software will block the person’s funds. b. If manual: a description of how the matching will be accomplished, considering the number of money transmission transactions the applicant anticipates it will handle on a daily basis and the number of persons on OFAC’s lists; and the identity of the officer or other employee of the applicant who will be primarily responsible for performing the matching. 3. Whether the applicant intends to match all of its transactions, including the transactions of its agents, against all of the OFAC lists for Specially Designated Nationals (including Specially Designated Global Terrorists). 4. The frequency with which transactions will be matched. 5. The manner and frequency of incorporating updated OFAC lists into the applicant’s matching system or procedures, including whether the applicant updates information through OFAC’s web site. 6. The procedures followed in the event that a person’s name matches a name on OFAC’s lists, including the manner in which the applicant will notify OFAC of such matches. 7. Whether blocked funds are segregated from other funds of the applicant, and if so, whether a separate bank account will be used. 8. Describe in detail whether and in what manner the applicant will utilize and maintain computerized books and records and electronic data processing technology to record and maintain information, including records relating to the money transmission business conducted by agents, in connection with the applicant’s compliance with OFAC laws and regulations. 	<p>Contact DFPI Portfolio Manager to arrange electronic delivery</p>

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<input type="checkbox"/>	<p>Information Regarding Selection and Supervision of Agents: Describe in detail the applicant's policies and procedures with respect to all the following as it relates to the money transmission business to be conducted in this state by the applicant and by any agent of the applicant, including a description of the responsibilities and authority of key personnel:</p> <ol style="list-style-type: none"> 1. The procedures for receiving, processing, and forwarding of transmission money from the time the agent receives the money until it is in the custody and control of the applicant directly, and related collection practices; 2. Recordkeeping; 3. Processing and resolution of consumer complaints and requests for refunds; 4. Monitoring and oversight of branch office activities; and 5. Describe in detail the applicant's policies and procedures with respect to the selection of agents. Include a description of what actions are being or will be taken by the applicant to investigate into the character and financial condition of any proposed agent, any controlling person of the proposed agent, and whether and in what manner such persons will be screened through the lists of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control ("OFAC"). 	<p>Contact DFPI Portfolio Manager to arrange electronic delivery</p>
<input type="checkbox"/>	<p>Fingerprints and Background Checks: Fingerprints must be submitted to the California Department of Justice for each of the following persons:</p> <ol style="list-style-type: none"> 1. Each executive officer and each director of the applicant; 2. Each person who owns or controls 10% or more of the voting shares of the applicant; and 3. Each person who owns or controls 10% or more of the voting shares of each person or entity that controls the applicant or possesses authority to make decisions and otherwise direct the applicant. <p>Individuals residing in California must have fingerprints taken at a law enforcement agency or a Live Scan Service Center. A list of Live Scan Service Centers is available here. The Live Scan must be requested by filling out the Request for Live Scan Service form available on the DFPI website. It may be necessary to arrange an appointment for fingerprinting, and the applicant is responsible for any fee charged.</p> <p>A <u>copy</u> of the Live Scan receipts must be submitted with the application. Each person fingerprinted should complete the appropriate boxes requesting personal information. A completed Written Consent for each individual shall also be submitted directly to the DFPI.</p> <p>Individuals residing outside of California may use fingerprint cards. For such submissions, the applicant must submit cardstock-paper fingerprint cards (not paper copies) using the standard Form FD-258, along with a Form JUS 203 (Applicant Transmittal Form), to the California Department of Justice (DOJ) at the following address:</p> <p style="text-align: center;">California Department of Justice Prescan Unit, K-111 PO Box 903417 Sacramento, CA 94203-4170</p>	<p>Contact DFPI Portfolio Manager to arrange electronic delivery</p> <p><i>Continued Below</i></p>

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	<p>On the fingerprint card itself, input in the “EMPLOYER AND ADDRESS” box the following:</p> <p style="padding-left: 40px;">ORI A0083 CAFIN INST-FIN PROT & INNOV ONE SANSOME STREET, SUITE 600 SAN FRANCISCO, CA 94104</p> <p>And input in the “REASON FINGERPRINTED” box the following:</p> <p style="padding-left: 40px;">APP TYPE: BANK LICENSE PER FC 379 APP TITLE: OFFICER/DIRECTOR/MONEY TRANSMITTER MAIL CODE: 04899</p> <p>On Form JUS 203, enter in the number of applicants (i.e. persons being fingerprinted) in the appropriate column on the “State Level” and “Federal Level” rows under “Employment/Licensing/Certifications-General”. The total due will be \$32 per applicant for State Level and \$17 per application for Federal Level, for a total of \$49 per applicant. Payment should be made via check made out to “California Department of Justice” and should accompany the package sent to the California DOJ.</p> <p>If submitting cards to the DOJ, a <u>partial copy</u> of the submission package sent to the DOJ (including cover letter and copy of Form JUS 203 but <u>excluding</u> the fingerprint card) must be submitted with the application directly to the DFPI. Do NOT provide a copy of the fingerprint cards to the DFPI. A completed Written Consent for each individual shall also be submitted directly to the DFPI.</p> <p>Submit all forms at the same time for all persons concerned to expedite the request. For example, if there are four persons subject to background checks, please submit the forms for all four instead of submitting them separately.</p>	
<input type="checkbox"/>	<p>Information Regarding Control Persons Residing in Foreign Jurisdictions: Additional information to know regarding the Third-Party Investigatory Background Checks. At a minimum, the firm performing the check must demonstrate that they have sufficient resources and are properly licensed to conduct the search of the background and that the firm is not affiliated with or an interest of any of the individuals under investigation.</p> <p>In addition to the information already provided, submit:</p> <ol style="list-style-type: none"> 1. The actual credit report and a summary of the credit report. 2. Education records. 3. A search summary letter which identifies the scope of the search, indicate the independence of each firm from the individuals and the applicant, and identifies a person and provides contact information if questions should arise. <p>If an individual has had such a report, which meets the specifications listed above, prepared for another licensing agency within the past 12 months, the individual may have the investigating agency submit a copy of that report to us. In addition to the documentation generally required, the individual would need to submit a statement of no material change.</p>	<p>Contact DFPI Portfolio Manager to arrange electronic delivery</p>