Who is required to have this license?

Anyone engaged in the business of lending money, including creating and holding or purchasing or acquiring retail installment contracts, to be a Money Lender and subject to the licensing requirement of South Dakota Codified Law (SDCL) 54-4.

Payday and title lenders are also licensed as Money Lenders under SDCL 54-4.

Who does not need this license?

Entities exempt from chapter provisions. The following entities are exempt from the provisions of this chapter:

- Any state bank and its subsidiary;
- Any national bank and its subsidiary;
- Any bank holding company and its subsidiary;
- Any other federally insured financial institution, its holding company and subsidiary; and
- Any South Dakota chartered trust company.

Pre-Requisites for License Applications

- Each money lender location must be separately licensed.
- Surety bond in an amount not to exceed the total of ten thousand dollars ($10,000) for the first license and two thousand five hundred ($2,500) for each additional license.
- Foreign Corporations will need to contact the SD Secretary of State’s office at 605.773.3537 to determine if a Certificate of Authority is required for business to be conducted in South Dakota.
- Money Lenders are subject to the South Dakota bank franchise tax. The bank franchise tax is a net income tax under SDCL 10-43. If you have questions about the bank franchise tax you may contact the Special Taxes office at 605.773.3311.
- South Dakota does not currently have an educational, net worth or physical presence requirement for money lenders.

WHO TO CONTACT – Contact the South Dakota Division of Banking licensing staff by phone at 605-773-3421 or send your questions via e-mail to banking@state.sd.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 HERELN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.