



## California Financing Law Background Check Guidance

### I. Individuals Who Must Submit Fingerprints

Under the California Financing Law, individuals submitting the Individual Form (MU2) must submit a set of fingerprints for a fingerprint background check by California Department of Justice and the Federal Bureau of Investigation.

These individuals include the following:

- Principal officers of the applicant, including the president, chief executive officer, treasurer, and chief financial officer, as may be applicable, and any other officer with direct responsibility for the conduct of the applicant’s lending activities in this state. This includes principal officers and control persons of the 10 percent or more owners of the applicant or licensee, if the individual is responsible for day-to-day business decisions related to the lending activities of the applicant or licensee in this state.
- If the applicant is a partnership, its general partners and individuals owning or controlling, directly or indirectly, 10 percent or more of the outstanding interests.
  - “Outstanding interests” means equity interests in the applicant that have the power to vote to elect or direct the management of the applicant or licensee or conduct or manage the lending activities of the licensee.
  - A direct or indirect individual owner whose interest in the partnership does not meet the definition of “outstanding interests” is not required to submit fingerprints for a background check.
    - These individuals include (1) those owning an equity interest in the partnership which represents only an economic interest such as a right to receive income and other distributions from the partnership; (2) those owning an equity interest which does not give the individual the right or ability, directly or indirectly, to elect or direct management of the applicant or licensee; or (3) those owning equity interests who have entered into a written agreement disclaiming the right to vote the equity interests (such as an undertaking that any vote will mirror management’s vote or the vote of the rest of the licensee’s equity interests) or relinquished the right to vote the equity interests so the owner cannot, directly or indirectly, elect officers, directors, or management or otherwise direct, conduct, or manage the lending activities of the applicant or licensee.

- If the applicant is a corporation, trust, limited liability company, or association, including an unincorporated organization, its directors, managing members, and individuals owning or controlling, directly or indirectly, 10 percent or more of the outstanding equity securities.
  - “Outstanding equity securities” means securities of a corporation, trust, limited liability company, or association, including an unincorporated organization, that have the power to vote for or elect the management of the applicant or licensee, or direct, conduct, or manage the lending activities or other operations of the licensee.
  - A direct or indirect individual owner whose interest in the organization does not meet the definition of “outstanding equity securities” is not required to submit fingerprints for a background check.
    - These individuals include (1) those owning non-voting equity securities which represent only an economic interest or a right to receive income and other distributions; (2) those owning equity securities which do not give the individual the right or ability, directly or indirectly, to elect or direct management of the applicant or licensee; or (3) those owning equity securities who have entered into a written agreement disclaiming any right to vote the equity securities (such as an undertaking that any vote will mirror management’s vote or the vote of the rest of the licensee’s securities holders) or relinquished the right to vote the equity securities so the owner cannot elect, directly or indirectly, officers, directors, or management or otherwise direct, conduct, or manage the lending activities of the applicant or licensee.
- The Qualifying Individual for the main office location and the Branch Manager for each location where the licensee conducts business with consumers.

## **II. The Process for Submitting Fingerprints**

California requires the submission of fingerprints to the California Department of Justice for both state and federal background checks. Fingerprints may not be submitted directly to NMLS.

The California Department of Justice requires fingerprints be submitted through a live scan location in California. If an individual cannot submit fingerprints through this process, the fingerprints may be submitted through fingerprint cards.

## **III. Live Scan in California**

The California Department of Justice maintains information on fingerprint background checks and the background check process on its [website](#).

To submit fingerprints for a background check in California, complete the following steps. If you are out of state and cannot submit prints to a live scan location in California, skip these steps and follow the steps for submitting prints from out of state.

1. Step One

Complete the [Request For Live Scan Service](#) form ([DFPI-CFL 8018](#)). This form is available through NMLS and on CA-DFPI's [website](#). The form is the uniform California Attorney General Form, prepopulated with the information necessary for the required background check information to be returned to CA-DFPI.

2. Step Two

Print the three pages of the form and bring the form to a live scan location. The California Attorney General maintains a list of [live scan locations](#) on its website.

3. Step Three

Provide the forms to the live scan operator, pay the live scan operator fees, and submit a set of fingerprints.

4. Step Four

Submit by mail one copy of the form, completed by the live scan operator, and the \$20 CA-DFPI processing fee to the CA-DFPI. Make checks payable to the Department of Financial Protection and Innovation. The address for the completed form the fee is as follows:

Department of Financial Protection and Innovation  
CFL Licensing Unit  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344

#### **IV. Submitting Fingerprints From Outside of California**

Individuals who cannot submit fingerprints at a live scan location in California may submit fingerprints on an FBI fingerprint hard card (FD-258 or FD-1164).

1. Step One

Obtain an FBI fingerprint hard card (FD-258 or FD-1164). You may obtain this form from any source (see the FBI [website](#) for additional information on obtaining cards). Only original FD-258 or FD-1164 cardstock fingerprint hard cards will be accepted by the California Department of Justice. The California Department of Justice does not accept the downloaded version of the form or a scanned paper copy.

## 2. Step Two

Complete the fingerprint card with descriptive data, including providing your name and date of birth. Include rolled impressions of all 10 fingerprints and flat impressions of all 10 fingerprints taken at the same time. Have your fingerprints taken by a fingerprinting technician, a law enforcement agency, or a participating post office. The signature or name of the official taking the fingerprints must be entered on the fingerprint card, and the official's ID number should also be listed, if applicable. The California Department of Justice will accept scanned fingerprints from an out-of-state live scan location *only* if the scanned fingerprints are printed onto an original FD-258 or FD-1164 cardstock fingerprint hard card and submitted by mail to the CA-DFPI.

## 3. Step Three

Submit to the CA-DFPI the following:

- The completed fingerprint hard card. Include with your submission the name of the applicant or licensee and the licensing law (the California Financing Law) so your fingerprints may be matched to the application. If completed at a law enforcement agency, the ORI section of the card must be stamped. For all other cards, include a copy of the receipt for fingerprinting services.
- An \$69 processing fee. Make checks payable to the Department of Financial Protection and Innovation. The address for the fingerprint card and the fee is as follows:

Department of Financial Protection and Innovation  
CFL Licensing Unit  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344

## **V. FBI Record Review Notification**

Fingerprints obtained under the California Financing Law will be used to check the criminal history records of the FBI, in addition to the records of the state of California. You have the opportunity to complete, or challenge the accuracy of, the information contained in the FBI identification record. Procedures for obtaining a change, correction, or updating of an FBI identification record are set forth in 28 Code of Federal Regulations part 16.34.

## **VI. Confidentiality and Disclosures in California**

The CA-DFPI will afford information submitted confidentiality under Government Code section 6254, subdivision (d)(1) and section 250.10.5 of the Commissioner's Rules (Cal. Code Regs., tit. 10, § 250.10.5). The disclosures provided by the California Department of Justice on form [BCIA 8016 – Request for Live Scan Service](#) are incorporated into the CA-DFPI's fingerprint procedures for out-of-state fingerprint

For assistance, contact the CA-DFPI at (866) 275-2677 or by email at [CFL.Inquiries@dfpi.ca.gov](mailto:CFL.Inquiries@dfpi.ca.gov).