



# **APPLICATION FOR LICENSURE AS A CONSUMER DISCOUNT COMPANY**

## **PART 1**

### **THIS APPLICATION IS FOR NON-MORTGAGE CONSUMER DISCOUNT COMPANIES**

The Pennsylvania Department of Banking and Securities (the “Department”) welcomes your request for this consumer discount company application. It is the Department's position that consumer discount companies provide a needed and valuable service to consumers.

This portion of the application provides general information that will be of value to you when you complete the written portion of the application.

The Department issues Consumer Discount Company licenses under the provisions of the Consumer Discount Company Act, which sets forth requirements both to become and to remain licensed. The Department is responsible for enforcing the Consumer Discount Company Act.

It is imperative that you become familiar with the Consumer Discount Company Act and the regulations issued thereto. You may wish to consult with an attorney. The legal citation for the Consumer Discount Company Act is 7 P.S. § 6201 et seq. Regulations are found in Title 10, Pennsylvania Code, Chapter 41 (10 Pa. Code § 41 et seq.).

#### **License Required**

A Consumer Discount Company license is required by any persons, as defined in the Consumer Discount Company Act, who engage in the business of negotiating or making, or who hold themselves as willing or able to negotiate loans or advances of money on credit, in the amount of \$25,000 or less (\$15,000 or less for revolving loan accounts), and charge, collect, contract for or receive interest, discount, bonus, fees, fines, commissions, charges, or other considerations which aggregate in excess of the interest that the lender would otherwise be permitted to charge if not licensed under the Consumer Discount Company Act on the amount actually loaned or advanced, or on the unpaid principal balances when the contract is payable by stated installments.

There are certain entities that are exempt from licensure, including banks, credit unions, and savings and loan associations. The exemptions are listed in Section 17 of the Consumer Discount Company Act.

#### **Bond**

In accordance with Section 5 of the Consumer Discount Company Act, the Department of Banking and Securities will not issue a license for a consumer discount company unless the applicant has first obtained a \$5,000 surety bond, furnished by a surety company legally authorized to transact business in Pennsylvania.

Bonds must be written to conform to the license period, and as such must expire on June 1, following the date of issuance. The bonds must be renewed and re-filed annually on or before June 1, for the first three consecutive years from the date on which the licensee was first licensed. The Department provides the required bond form as a part of this application.

For additional information on the bond, please refer to Section 5 of the Consumer Discount Company Act.

### **Organization**

A license for a consumer discount company will be issued only to a company that is organized or domesticated under the Business Corporation Law of the Commonwealth of Pennsylvania. Information about corporate/business registration and domestic incorporation can be obtained by contacting

Pennsylvania Department of State  
Corporation Bureau  
3rd Floor, North Office Building  
Harrisburg, Pennsylvania 17120-0029.

The telephone number is (717) 787-1057 or visit their website at [www.dos.pa.gov](http://www.dos.pa.gov).

### **Minimum Capital**

Section 7 of the Consumer Discount Company Act requires the applicant corporation be incorporated with a minimum capitalization (issued and outstanding stock and additional paid-in capital) of \$75,000. At application for licensure by the Department of Banking and Securities, the minimum paid-in capital and net worth must be at least \$75,000. The minimum capital must be maintained as permanent capital at all times and shall not be distributed to stockholders or be repurchased by a licensee without the prior written approval of the Secretary of Banking and Securities.

### **Additional Offices**

Applicants/licensees must complete a separate office application for each additional office licensed under the Consumer Discount Company Act. The \$75,000 initial minimum capitalization requirement will be increased by \$25,000 per office. For more information, please refer to Sections 4, 5, and 7 of the Consumer Discount Company Act.

### **Place of Business -- Change of Address**

With prior written approval from the Secretary of Banking and Securities, a licensee may move the location of the licensed place of business. A request for change of address should be filed on a form provided by the Department at least 30 days prior to the contemplated change, and should include the following: present address, address of proposed place of business, tentative effective date for relocation, new telephone and fax numbers, and reasons for the move. The original license certificate must accompany the request for amendment.

### **Principal Place of Business; Full-Time Manager; Minimum Qualifications**

A consumer discount company licensee **must** maintain a minimum of one office, designated as the principal place of business. This principal place of business must be staffed with a minimum of one **full-time W-2 employee**, who shall be responsible for the daily operations of the consumer discount company business.

Section 12 of the Consumer Discount Company Act provides that the Secretary of Banking and Securities shall be satisfied that the experience of the directors and officers identified on the application for licensure is such as to warrant the conclusion that business will be honestly and fairly transacted in accordance with the intent and purpose of the Consumer Discount Company Act. No license may be issued if any director, officer, employee, or agent has been convicted under the Consumer Discount Company Act for engaging in business contemplated by the Consumer Discount Company Act without a consumer discount company license. Please review Section 12 of the Consumer Discount Company Act for additional information on minimum qualifications.

### **Criminal Record Check**

The Department of Banking and Securities regulates the financial service industry in Pennsylvania. The Department of Banking and Securities is requiring all new applicants for a license to obtain criminal record checks when applying for licensure.

### **Examinations and Investigations**

As provided for in Section 11 of the Consumer Discount Company Act, a consumer discount company is subject to examination at least once every two calendar years by the Department of Banking and Securities at the Department's discretion. Examinations are generally made without prior notice and during regular business hours. The cost of such examinations is paid by the licensee.

Special investigations are conducted as needed and often result from consumer complaints. The Department has authority to recover the cost of such investigations from the licensee.

Examinations and investigations are discussed in further detail in Section 11 of the Consumer Discount Company Act and Title 10, Section 41.4(a) of the Pennsylvania Code.

### **Annual Report**

Licensed consumer discount companies are required to file an annual report with the Department on or before March 1 of each year. The Department mails to licensees the form for this report, generally by January 31. The report requests information about business conducted during the preceding calendar year.

The annual report requirement is discussed in Section 10 of the Consumer Discount Company Act.

### **Penalties; License suspension, revocation, or refusal to renew**

Persons who violate any provision of the Consumer Discount Company Act shall be guilty of a misdemeanor and may be subject to fines and imprisonment as provided for in Section 18 of the Consumer Discount Company Act. The Department has the authority to suspend, revoke, or refuse to renew a consumer discount company license for violation of any provision of the Consumer Discount Company Act or any material misstatement made in the application(s) filed with the Department. For additional information on penalties, license suspension, revocation and refusal to renew, refer to Sections 12 and 18 of the Consumer Discount Company Act.

### **Other business at the same location**

As provided for in Section 13(Q) of the Consumer Discount Company Act and Title 10, Section 41.6(d) of the Pennsylvania Code other businesses may be operated in any place of business licensed under the Consumer Discount Company Act. If, however, the Secretary of Banking and Securities finds, after a hearing, that the operation of the other business(es) has concealed evasions of the Consumer Discount Company Act, the Secretary of Banking and Securities shall order such person(s) to desist from such conduct.

### **Annual license fees; Renewals**

A licensing fee of \$500 for the principal place of business and \$500 for all additional locations must accompany each individual application for licensure. Checks or money orders should be made payable to the **Pennsylvania Department of Banking and Securities**. By law, there can be no abatements granted on licensing fees for licenses issued after the start of the June 1 licensing year. If a license is surrendered, revoked, or suspended prior to its expiration date, the license fee cannot be refunded in whole or in part.

Licenses must be renewed yearly by June 1. An annual renewal fee of **\$350** for the principal place of business and, if applicable, **\$350** for each branch office location must accompany renewal applications. Renewal applications will be sent to licensees no later than April 1. When a licensee fails to renew a license on June 1, or when a license is revoked, canceled, terminated, or surrendered, all privileges of the Consumer Discount Company Act are forfeited, but the requirements of the Consumer Discount Company Act remain in effect insofar as outstanding loans are concerned.

Please note that Section 6 of the Consumer Discount Company Act, as it relates to the fee payments, in effect has been amended. The licensing fees have been established by the Administrative Code of 1929, as amended, codified as 71 P.S. § 240.3A.

### **Other provisions that apply; other laws that may apply**

The preceding discussion does not represent a complete analysis of the Consumer Discount Company Act. Rather, the areas discussed are based on the issues which surface most frequently. *You are advised to read and review the Consumer Discount Company Act and regulations promulgated thereunder in order to become familiar with all provisions.*

An attorney should be able to advise you about federal laws that apply to lending.

### **How and where to file this application**

Please complete Part 2 of this application. Make a copy for your records. Mail the original and any required attachments, along with a check or money order in the proper amount, to the following address:

**Pennsylvania Department of Banking and Securities**  
**Non-Depository Licensing Office**  
**17 N 2<sup>nd</sup> St, Ste 1300**  
**Harrisburg, PA 17101-2290**

Keep pages 1 through 4 for your records, as well as a copy of the Consumer Discount Company Act.

Your application will be reviewed and you will be notified by the Department of Banking and Securities concerning its findings.

If you have any questions, please call the Non-Depository Licensing Division weekdays from 8:30 a.m. to 5:00 p.m. at (717) 787-3717, TT/Voice 1-800-679-5070 or visit our web site at [www.dobs.pa.gov](http://www.dobs.pa.gov)

We look forward to processing your application.

## Consumer Discount Company Application Part 2

For Official Use Only  
License #

**1. Please indicate name of business.**

Name of corporation: \_\_\_\_\_

D/B/A [if applicable]: \_\_\_\_\_

Federal ID Number: \_\_\_\_\_

Attach Articles of Incorporation, if a foreign corporation, Foreign Registration Statement to do business in Pennsylvania and, if applicable, a copy of the fictitious name registration.

**2. Does applicant currently hold one or more consumer discount company licenses?**

\_\_\_\_\_ YES

\_\_\_\_\_ NO

If Yes, under what names including date of Original License under CD Company Act

\_\_\_\_\_  
\_\_\_\_\_

**3. List complete address where consumer discount company business will be conducted.**

OFFICIAL LOCATIONS (\$500 LICENSING FEE MUST ACCOMPANY APPLICATION):

_____			(_____)
Street Address and Suite or Room Number			Office Telephone
_____			(_____)
City	State	Zip	Fax Number
_____		_____	
County		Office Manager	

Mailing address of above location if different from above (If not different, indicate N/A)

\* Please attach a copy of the purchase or lease agreement and floor plan verifying location.

Please indicate normal hours of operation:

Mon: \_\_\_\_\_ Tue: \_\_\_\_\_ Wed: \_\_\_\_\_ Thu: \_\_\_\_\_ Fri: \_\_\_\_\_

Holidays observed: \_\_\_\_\_

If applicable, complete the following (If not applicable please indicate N/A):

\_\_\_\_\_ Name of Parent Company

_____			(_____)
Executive Office Street Address and Suite or Room Number			Office Telephone

_____			(_____)
City	State	Zip	Fax Number

Company Email Address: \_\_\_\_\_

Company Web Address: \_\_\_\_\_

\*\*(Web address must be registered with the Department of State if it is significantly different from the company name or not prominently displayed on the opening page.)

List all types of business offered on your website: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Attach additional sheets if necessary

Explain how consumer discount company business will be conducted via the internet: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attach additional sheets if necessary

**4. Additional Locations – List complete address of each additional location where consumer discount company business will be conducted. A LICENSE FEE OF \$500 IS REQUIRED FOR EACH ADDITIONAL LOCATION. Attach additional sheets if necessary.**

\_\_\_\_\_  
Street Address and Suite or Room Number

\_\_\_\_\_  
Office Telephone

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
County

\_\_\_\_\_  
Office Manager

Mailing address of above location if different from above (If not different, indicate N/A)

\* Please attach a copy of the purchase or lease agreement and floor plan verifying location.

Please indicate normal hours of operation:

Mon: \_\_\_\_\_ Tue: \_\_\_\_\_ Wed: \_\_\_\_\_ Thu: \_\_\_\_\_ Fri: \_\_\_\_\_

Holidays observed: \_\_\_\_\_

\_\_\_\_\_  
Street Address and Suite or Room Number

\_\_\_\_\_  
Office Telephone

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
County

\_\_\_\_\_  
Office Manager

Mailing address of above location if different from above (If not different, indicate N/A)

\* Please attach a copy of the purchase or lease agreement and floor plan verifying location.

Please indicate normal hours of operation:

Mon: \_\_\_\_\_ Tue: \_\_\_\_\_ Wed: \_\_\_\_\_ Thu: \_\_\_\_\_ Fri: \_\_\_\_\_

Holidays observed: \_\_\_\_\_

**5. Identify all officers, directors, partners, owners, and ALL designated office managers of entity.**

List full name, corporate title, date of birth, social security number, residence address, residence telephone number, cell phone number and email address of each officer, director, and office manager of the proposed licensed corporation. **Attach additional sheets if necessary.**

Full Name: \_\_\_\_\_ Title: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Home Address: \_\_\_\_\_

Home Phone Number: (\_\_\_\_) \_\_\_\_\_ Cell Phone Number: (\_\_\_\_) \_\_\_\_\_

Email address: \_\_\_\_\_

Full Name: \_\_\_\_\_ Title: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Home Address: \_\_\_\_\_

Home Phone Number: (\_\_\_\_) \_\_\_\_\_ Cell Phone Number: (\_\_\_\_) \_\_\_\_\_

Email address: \_\_\_\_\_

Full Name: \_\_\_\_\_ Title: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Home Address: \_\_\_\_\_

Home Phone Number: (\_\_\_\_) \_\_\_\_\_ Cell Phone Number: (\_\_\_\_) \_\_\_\_\_

Email address: \_\_\_\_\_

Attach additional sheets if necessary

**6. Please complete all of the following information in order to identify the person the Department should contact to address application, licensing, and annual report matters, financial information, compliance, consumer complaint, and billing issues.**

**A. PRIMARY COMPANY CONTACT:** \_\_\_\_\_  
Name & Title

Street Address Suite/Room/Floor

City State Zip

OFFICE PHONE NUMBER: ( ) OFFICE FAX NUMBER: ( )

EMAIL ADDRESS: \_\_\_\_\_

**B. PRIMARY COMPLAINT CONTACT:** \_\_\_\_\_  
Name & Title

Street Address Suite/Room/Floor

City State Zip

OFFICE PHONE NUMBER: ( ) OFFICE FAX NUMBER: ( )

EMAIL ADDRESS: \_\_\_\_\_

\*\*COMPLETE THIS SECTION ONLY IF YOU WANT INVOICES SENT TO ONE CENTRAL LOCATION RATHER THAN EACH LICENSED LOCATION

**C. BILLING:** \_\_\_\_\_  
Name & Title

Street Address Suite/Room/Floor

City State Zip

OFFICE PHONE NUMBER: ( ) OFFICE FAX NUMBER: ( )

EMAIL ADDRESS: \_\_\_\_\_

**7. List other business entities in which an equity or creditor interest is held.**

Indicate N/A here if there are none: \_\_\_\_\_

**If business is a corporation:**

List any and all other business entities in which at least a 10% equity or creditor interest is held by an officer or director of proposed licensee corporation.

**If business is not a corporation:**

List any and all other business entities in which at least a 10% equity or creditor interest is held by any owner of the proposed Consumer Discount Company licensee.

**In either case:**

Include the dollar amount, in known, or percent of ownership of such equity or creditor holdings and whether or not funds are or will be interchanged between the licensee and such business owners.

Name of entity in which interest is held	Name of Officer(s), Director(s), or Owner(s) holding interest	Dollar Amount or Percent of Ownership	Funds are/will be interchanged between licensee and business (circle one)
		\$ %	Yes No

Attach additional sheets if necessary

**8. Are you or any individual identified in this application licensed by an agency of the Commonwealth?**

\_\_\_\_\_ YES                      \_\_\_\_\_ NO

If presently licensed by the Department of Banking and Securities, excluding Consumer Discount Company licenses already indicated in Question 2, the Real Estate Commission or any other Commonwealth agency (for example real estate broker, real estate sales person etc.), please complete the following:

Type of License(s): \_\_\_\_\_

License Number(s): \_\_\_\_\_

Person Licensed: \_\_\_\_\_

Attach additional sheets if necessary.

**9. Indicate other business(es).**

Under Section 13(Q) of the Consumer Discount Company Act, a Consumer Discount Company licensee may conduct business in any licensed place of business or where another business is conducted by the licensee or another person unless the Secretary of Banking and Securities determines, after a hearing, that the conduct of such other business has concealed evasions of the Consumer Discount Company Act. If such a judgment is rendered, the Secretary shall order said person to desist from such conduct. Are there any additional business that will be operating from the location of the proposed Consumer Discount Company Licensee?

\_\_\_\_\_ YES                      \_\_\_\_\_ NO

If Yes, please indicate the name of the business(es), a brief description of the service(s) or product(s) offered, **and whether there is or will be any relationship, other than the same location, between the consumer discount company business and other business(s).**

Name of business	Description	Describe relationship between businesses

Attach additional sheets if necessary.

**10. Is the applicant contemplating the purchase, acquisition, or collection of accounts representing loans granted by another lender?**

\_\_\_\_\_ YES                      \_\_\_\_\_ NO

If yes, please complete the following:

Name of business	Business Address	# of Accounts	Total Value

Attach additional sheets if necessary

**11. Please provide the following information about previous business experience within the financial services industry of the individuals identified in this application.**

Name of Officer, Director, Manager, etc.	Name of Business	Type	Address

**12. Excluding entries made in the occupational history in Question 8, has any director, officer, owner, manager, employee etc., ever been connected directly or indirectly with any loan business, discount business or finance business in Pennsylvania or elsewhere in the capacity of individual owner, partner, member, officer, , director, employee, agent, broker, investor, shareholder, or otherwise?**

\_\_\_\_\_ YES                      \_\_\_\_\_ NO

If yes, please explain in detail the circumstances:

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Attach additional sheets if necessary

**13. Has any officer of the corporation, partner, owner ever been or has any organization with which they were associated as an officer, partner, owner, employee or otherwise, ever been involved in any voluntary or involuntary bankruptcy, receivership or insolvency?**

\_\_\_\_\_ YES                      \_\_\_\_\_ NO

If yes, please explain in detail the circumstances:

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Attach additional sheets if necessary

**14. Identify any related (parent, subsidiary, or affiliate) company(ies) or business(es) which accept(s) fees from the consumer for the processing, placement, or closing of consumer loans. Explain how related and provide the address(es). If none, please place a check mark in the designated location.**

\_\_\_\_\_ NONE

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Attach additional sheets if necessary

## 15. Minimum Capital Requirement

As provided for in Section 7 of the Consumer Discount Company Act, the applicant corporation for the initial consumer discount company license must be incorporated with a **minimum capitalization (issued and outstanding stock and additional paid-in capital) of \$75,000 (seventy-five thousand dollars)**. For additional offices, the \$75,000 initial minimum capitalization requirement is increased by **\$25,000 (twenty-five thousand dollars) per additional office**. The minimum capital must be maintained as permanent capital that shall not be distributed to stockholders or be repurchased by a licensee without the prior written approval of the Secretary of Banking and Securities.

Please attach the initial or current financial statement in accordance with the following:

- (1) Statements should be prepared and signed by a certified public accountant, and prepared in compliance with generally accepted accounting principles.
- (2) The financial statements must include, as a minimum, a balance sheet, statement of income and expense, retained earnings, change of financial position, any related notes to such statements, as well as other financial information which the Department of Banking may require.
- (3) If the applicant's fiscal year ends 120 days or more prior to the date of initial application, then the applicant must forward the aforementioned financial statements covering the most recent fiscal year; and, the interim financial statements covering the most recent accounting period current to within 60 days of the date of application. Interim financial statements shall be constructed in compliance with the same accounting principles used to prepare the company's annual financial statements and shall be attested as being true and correct by the applicant's president and/or chief accounting officer.
- (4) If the applicant is affiliated with another business entity then the applicant shall provide the aforementioned statements reflecting the applicant's financial condition and operation on an unconsolidated basis; and, in addition thereto, the applicant must furnish the same statements on a consolidated and/or combined basis to reflect the economic reality of all affiliations. If you have any questions, please contact the Department's Division of Licensing at 717-787-3717.

## 16. Surety Bond Coverage

In accordance with Section 5 of the Consumer Discount Company Act, the Department of Banking will not issue a license for a consumer discount company unless the applicant has first obtained a \$5,000 surety bond, furnished by a surety company legally authorized to transact business in Pennsylvania.

Bonds must be written to conform to the license period, and as such must expire on June 1 following the date of issuance. The bonds must be renewed and re-filed annually on or before June 1 for the first three consecutive years from the date on which the licensee was first licensed. The Department provides the required bond form as a part of this application.

For additional information on the bond, please refer to Section 5 of the Consumer Discount Company Act.

**17. Has any director, officer, office manager or owner etc. identified on this application ever been arrested for, charged with, convicted of, pled guilty to, or pled nolo contendere (no contest) or given a diversionary sentence in lieu of conviction to any criminal offense in this Commonwealth or anywhere else (including court martial or disciplinary proceedings under the Uniform Code of Military Justice)?**

\_\_\_\_\_ YES

\_\_\_\_\_ NO

If yes, please provide a detailed explanation of the circumstances:

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Attach additional sheets if necessary

**18. Has any officer of the corporation, partner, owner ever been directly or indirectly, connected with any organization in Pennsylvania or elsewhere which had any application for license refused by any federal, state or municipal authority, or which withdrew such application to avoid refusal, or withdrew such application by request (exclusive of withdrawal or refusal because of a restricted competition policy), or which had its license or registration suspended, canceled or revoked by such an authority?**

\_\_\_\_\_ YES

\_\_\_\_\_ NO

If yes, please provide a detailed explanation of the circumstances:

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Attach additional sheets if necessary

**19. Has any director, officer, manager, etc. identified in this application ever been prohibited by any state or federal authority from becoming an employee of or continuing employment in any organization subject to such state or federal supervision?**

\_\_\_\_\_ YES

\_\_\_\_\_ NO

If yes, please provide a detailed explanation of the circumstances:

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Attach additional sheets if necessary

**20. Please answer the following questions by placing an "X" on the appropriate response line.**

**YES      NO**

- a.*    \_\_\_\_\_    \_\_\_\_\_    Do you understand that the Consumer Discount Company Act describes requirements related to conducting a consumer discount company business?
- b.*    \_\_\_\_\_    \_\_\_\_\_    Do you understand that the provisions of the Consumer Discount Company Act apply to any person who engages in the business of negotiating or making, or who hold themselves as willing or able to negotiate loans or advances of money on credit, in the amount of \$25,000 or less (\$15,000 or less for revolving loan accounts), and charge, collect, contract for or receive interest, discount, bonus, fees, fines, commissions, charges, or other considerations which aggregate in excess of the interest that the lender would otherwise be permitted to charge if not licensed under the Consumer Discount Company Act on the amount actually loaned or advanced, or on the unpaid principal balances when the contract is payable by stated installments?
- c.*    \_\_\_\_\_    \_\_\_\_\_    Do you understand that a person/licensee who violates any provision of the Consumer Discount Company Act shall be guilty of a misdemeanor, and may be subject to fines and imprisonment as provided for in Section 18 of the Consumer Discount Company Act?
- d.*    \_\_\_\_\_    \_\_\_\_\_    Do you understand that a consumer discount company licensee must display its license conspicuously at each licensed place of business?
- e.*    \_\_\_\_\_    \_\_\_\_\_    Do you have a W-2 full-time employee who will staff the principal place of business?

- |           | YES   | NO    |  |
|-----------|-------|-------|--|
| <i>f.</i> | _____ | _____ | Do you understand that a consumer discount company licensee must obtain an additional license prior to conducting business from a location other than the licensed principal place of business?  |
| <i>g.</i> | _____ | _____ | If you become licensed, will you convey the requirements of the Consumer Discount Company Act to any person(s) who engage(s) in the consumer discount company business as your employee(s)?  |
| <i>h.</i> | _____ | _____ | Do you understand that a consumer discount company's license expires each year on June 1 and must be renewed on or prior to that date?   |
| <i>i.</i> | _____ | _____ | Do you understand that a consumer discount company licensee must file an annual report with the Department of Banking and Securities annually before March 1 on a form that the Department provides?   |
| <i>j.</i> | _____ | _____ | Do you understand that original or duplicates of all records that pertain to your consumer discount business must be maintained at your principal place of business within the Commonwealth of Pennsylvania or other location subject to the approval of the Secretary of Banking and Securities?  |
| <i>k.</i> | _____ | _____ | Do you understand that a consumer discount company licensee is subject to examination/investigation by the Department of Banking and Securities at any time, during regular business hours without prior notice, whenever the Department deems such an examination/investigation necessary or desirable?   |
| <i>l.</i> | _____ | _____ | Do you understand, that during an examination/investigation by the Department, the Department must be given unimpeded access to the licensee's place(s) of business and to all instruments, documents, accounts, books and records which pertain to the licensee's consumer discount company business?   |
| <i>m.</i> | _____ | _____ | Do you understand that the licensee is required to pay for examinations/investigations conducted by the Department?  |
| <i>n.</i> | _____ | _____ | Do you understand that an examination/investigation may be initiated to resolve a consumer complaint?  |
| <i>o.</i> | _____ | _____ | Do you understand that the Department of Banking and Securities has the authority to issue rules, regulations, and orders as may be necessary to insure the proper conduct of a consumer discount company business and the enforcement of the Consumer Discount Company Act? . Do you understand that a consumer discount company licensee may not transact business under any name other than that designated on its license? |

YES      NO

p.    \_\_\_\_\_    \_\_\_\_\_    Do you understand that in order for a licensee to purchase, acquire, or collect accounts representing loans granted by another lender that the originating entity must be licensed or exempt from licensure?

q.    \_\_\_\_\_    \_\_\_\_\_    Do you understand that you may be committing a violation of the Consumer Discount Company Act, subject to a fine of up to \$2,000 per offense, if you conduct loan business with a person or entity, which is not licensed or exempted from licensure?

r.    \_\_\_\_\_    \_\_\_\_\_    Do you understand that the Department may suspend, revoke, or refuse to renew any consumer discount company's license if the licensee has: 1) made any material misstatement in the application, or 2) failed to comply with or violated any provision of the Consumer Discount Company Act or any rule, regulation or order promulgated by the Department?

s.    \_\_\_\_\_    \_\_\_\_\_    Do you have any questions about the Consumer Discount Company Act or the licensing process? **If yes, attach separate sheet with the question(s).**

**21. Designate Pennsylvania Agent for Service of Process (for foreign entities only).**

The applicant corporation, in pursuance of action taken at a regular meeting of the Board of Directors of said corporation does hereby appoint:

**FULL NAME:** \_\_\_\_\_

**PHYSICAL ADDRESS:** \_\_\_\_\_

**Telephone Number:** (        ) \_\_\_\_\_

**POST OFFICE:**

its true and lawful attorney and authorized agent upon whom all lawful process in any proceeding against it may be served and agrees that service of process on its attorney or agent herein named shall be of the same legal force and validity as if served upon it, the said corporation, and the authority for such service of process shall continue in force as long as any liability remains outstanding against it in the Commonwealth of Pennsylvania.

In the case of death, removal from the Commonwealth of Pennsylvania, or any legal disability or disqualification of its attorney or agent herein named, the said corporation does hereby appoint the Secretary of Banking of the Commonwealth of Pennsylvania, and successor in office, to be its true and lawful attorney and authorized agent upon whom all lawful process in any proceeding against it may be served and agrees that service of process on the Secretary of Banking shall be of the same legal force and validity as if served upon it, the said corporation, and the authority for such service of process shall continue in force as long as any liability remains outstanding against it in the Commonwealth of Pennsylvania.

**Authorization/Affirmation**

I understand by submitting this **Consumer Discount Company Application**

I am agreeing to be bound by the following declaration: **"I declare that all of my answers on this *Consumer Discount Company Application* are complete, true and correct. I make this declaration subject to the penalties of 18 PA.C.S. § 4904 relating to unsworn falsification to authorities."**

**(Please Print):**

\_\_\_\_\_  
Owner/Officer/Partner Name & Title

**Signatures Required:**

\_\_\_\_\_  
Owner/Officer/Partner Signature

**22. Please review before mailing this application**

- Checked answers for accuracy?
- Signed the application?
- A check made payable to the **Pennsylvania Department of Banking and Securities** for the total amount of licensing fees required (\$500 for each fixed location and/or branch location)
- Attached a copy of the following: (a) purchase or lease agreement to verify principal location; (b) copy of the Articles of Incorporation, or if applicable, Fictitious Name Registration and Domestication Form; or Foreign Registration Statement (c) the initial or current financial statement; and, (d) a copy of the executed surety bond coverage
- Retained a copy of the entire application for your records?

**24. Please mail completed application and all required documentation to:**

**PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES  
NON-DEPOSITORY LICENSING OFFICE  
17 N 2<sup>ND</sup> ST, STE 1300  
HARRISBURG, PA 17101-2290**



The Pennsylvania Department of Banking and Securities (“the Department”) regulates the financial service industry in Pennsylvania and requires license applicant(s) to complete a Pennsylvania State Police criminal background history check and an FBI Fingerprint Check when applying for licensure.

**Please review the following requirements and conditions for the Pennsylvania Check:**

1. Each applicant or control person listed on the license application must complete an online criminal background history check using the Pennsylvania Access to Criminal History (PATCH) located at <https://epatch.state.pa.us>
2. **ALL CRIMINAL HISTORY REQUESTS MUST BE DATED WITHIN 30 DAYS OF SUBMISSION OF THE APPLICATION**
3. Cost of the online criminal background history check is \$8.00 for each request and is payable through PATCH by credit card.
4. Please select **Company Request** under Requestor Details
5. When completing the application, the “Personal Information” section of the PATCH application must contain identifying information for the Department to ensure the results of the criminal background history check are forwarded directly to this Department. **Results of the criminal background history check will not be accepted directly from the applicant and will only be accepted from PATCH.** Below is the information that **must** be entered in the “**Company Details**” section of the PATCH application:

**Reason for Request:** Employment  
**Company Name:** PADOBS  
**Company Address Line 1:** Market Square Plaza  
**Company Address Line 2:** 17 N 2<sup>nd</sup> St Ste 1300  
**City:** Harrisburg  
**State:** PA  
**Zip:** 17101  
**Phone Number:** (717) 787-3717

Below is the information that **must** be entered in the “**Company Contact Details**” section of the PATCH application:

**First Name:** NonDepository  
**Last Name:** Licensing  
**Email Address:** [ra-asklicensing@pa.gov](mailto:ra-asklicensing@pa.gov)

After completing the “Personal Information” section of the PATCH application, navigate to the “Record Check Request Form” section of the application and enter the information of the applicant or control person. Although not required by PATCH, **it is a requirement of the Department to provide your Social Security number in the “Record Check Request Form” section of the application.**

After making payment for the criminal background history check, you will be provided with a “Request Results” page which **must be** provided to the Department in order to verify the background history check was completed and to track the results of any “No Record” responses. **Print** the “Request Results” page and send it with the other state specific information. The “Request Results” page will contain your First and Last name as you typed them into the system, the date that you submitted the request and a control number.



In addition to the Pennsylvania State Police criminal background history check, all applicants are also subject to a search of the national criminal history database via an **FBI Fingerprint Check**.

**Please review the following requirements and conditions for the FBI Fingerprint Check:**

**ALL CRIMINAL HISTORY REQUESTS MUST BE DATED WITHIN 30 DAYS OF SUBMISSION OF THE APPLICATION**

Available to Pennsylvania residents and those working in close proximity to the Commonwealth of Pennsylvania:

- Use the Cogent live scan fingerprint system located at the following website: <https://www.pa.cogentid.com>
- Be sure to click on the link for the PA Department of Banking and Securities
- Follow the instructions on the website to schedule an appointment to obtain your live scan fingerprints at the nearest print site location.
- Results of the background checks are not mailed to applicants. If there is a problem with the results of your background check you will be notified.

For all other applicants residing or working in states other than the Commonwealth of Pennsylvania:

- Visit the Cogent website at <https://www.pa.cogentid.com>.
- Be sure to click on the link for the PA Department of Banking and Securities
- Follow instructions on the website on how to submit a fingerprint card to 3M Cogent.
- Results of the background checks are not mailed to applicants. If there is a problem with the results of your background check you will be notified.

**Third Party Investigatory Background Checks: Each control person (including the qualifying individual) who does not or has not resided in the US for at least 5 years must provide an investigative background report.** The report must be prepared by an acceptable search firm and submitted directly to the Department in addition to other background information required in the application. At a minimum, the report must contain the following:

- A comprehensive credit report/history
- Civil court and bankruptcy court records for the past 5 years, including a search of the court data in the country(ies), states, towns where the individual resided and worked and in contiguous areas
- Criminal records for the past 5 years, including felonies, misdemeanors and violations including a search of court data in the countries, states, towns where the individual resided and worked and in contiguous areas.

**Results of the background checks are not mailed to applicants. If there is a problem with the results of your background check you will be notified.**



**pennsylvania**  
DEPARTMENT OF BANKING  
AND SECURITIES

MARKET SQUARE PLAZA | 17 N SECOND STREET, Suite 1300 | HARRISBURG, PA 17101  
Ph 717.787.3717 Fx 717.787.8773 W www.dobs.pa.gov

Bond No. \_\_\_\_\_

**CONSUMER DISCOUNT COMPANY BOND**

WHEREAS, Department means the Department of Banking and Securities of the Commonwealth of Pennsylvania located at 17 N. 2<sup>nd</sup> Street, Suite 1300, Harrisburg, Pennsylvania 17101, and

WHEREAS, Principal means \_\_\_\_\_,  
(Name of Consumer Discount Company)

with its principal place of business at \_\_\_\_\_  
(Principal's Address)

and phone number of \_\_\_\_\_.  
(Principal's Phone Number)

WHEREAS, Surety means \_\_\_\_\_,  
(Name of Surety Company)

incorporated under the laws of the State of \_\_\_\_\_,  
(State of Surety Company's Incorporation)

with its principal place of business at \_\_\_\_\_  
(Surety's Address)

and phone number of \_\_\_\_\_.  
(Surety's Phone Number)

WHEREAS, Surety is licensed to do business in the Commonwealth of Pennsylvania, and is approved by the Secretary of Banking and Securities of the Commonwealth of Pennsylvania ("Secretary") as an acceptable Surety, and

WHEREAS, reference is made herein to the Consumer Discount Company Act (7 P.S. §§ 6201-6219), and

WHEREAS, any reference in this bond to any statute or regulation, including, but not limited to, the Consumer Discount Company Act (“Act”) and the General Rules of Administrative Practice and Procedure (“GRAPP”), include the statute or regulation in force at the time this bond is executed as well as any subsequent amendments, alterations or replacements of such statute or regulation, and

WHEREAS, Principal has applied to the Department for a license under the provisions of the Act, and

WHEREAS, the granting of the license by the Department to Principal is conditioned upon Principal obtaining a bond in the amount of five thousand dollars (\$5,000), and

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that Principal and Surety, are held and firmly bound unto the Commonwealth of Pennsylvania in the just and full sum of five thousand dollars (\$5,000) to the payment whereof, well and truly to be made, we bind ourselves, and our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents:

1. **Condition of the Obligation.** If Principal shall faithfully:
  - a. comply with and abide by the provisions of the Act; and
  - b. comply with and abide by all the rules and regulations of the Department issued in accordance with the Act; and
  - c. pay any moneys due to the Commonwealth, the Department, or any person or persons who is injured by acts or omissions of Principal under the provisions of this Act,

then this obligation shall be null and void, otherwise to be and remain in full force and effect.

2. **Effective Date.** The effective date of this bond is set forth below.
3. **Duration of Bond.** This bond shall continue in full force and effect indefinitely, subject, however, to cancellation.
4. **Cancellation.** Surety may elect to cancel this bond at any time by filing with the Secretary a thirty (30) day written notice of such cancellation. The bond cancellation shall be effective on the thirtieth (30<sup>th</sup>) day after the filing of the written notice of cancellation. Surety shall remain liable for all transactions associated with the loaning of money at interest by Principal during the term of this bond until the effective date of the cancellation.

5. **Surety's Liability.** Regardless of the number of years this bond remains in force, the aggregate liability of Surety for any and all claims or judgments to one or more claimants in no event shall exceed the full penal sum.

6. **Default.** Upon the happening of any default of the conditions and obligations assumed under this bond and the declaration of a default by the Secretary, or his designee, the Secretary, or his designee, shall notify the Principal and Surety of such default. Said Surety shall pay the amount claimed within 30 days of the date of notice. If the Surety does not pay the amount claimed within 30 days after the notice of default, Principal and Surety hereby authorize and empower any attorney of record in Pennsylvania or elsewhere to appear for them, or either of them, and after one or more declarations filed to confess judgment against them in favor of the Commonwealth, to its use or the use of its certain attorney or assigns, for an amount up to the penal sum of the bond, together with costs of suit and five percentum, added as attorney fee, and they do further release all errors, and waive the right of exemption, and stay of execution and authorize the levy of their monies.

7. **Events Not Affecting Bond Liability.** This bond shall not be discharged by:

- a. the recovery of any specific amount of charges for examination, damages, costs, judgments, fines or penalties obtained in any specific action. The bond shall be in full force and effect until the full amount of the bond of five thousand dollars (\$5,000) shall have been paid by reason of any number of charges for examination, damages, costs, judgments, fines or penalties to which Principal may have become subjected; or
- b. sums due, where the right to which sums did not arise during the license year for which the license found on the application which this bond accompanied was granted.

8. **Remedies.** Nothing herein shall limit the Department from seeking any remedy, in addition to the forfeiture of this bond, which may be authorized or provided under any law.

9. **Disclosure.** Principal and Surety agree that the Department may publish, divulge or otherwise disclose to any person or government entity this bond, the contents of this bond, and any information or material related to this bond. The information which may be disclosed includes, but is not limited to, pleadings, other submissions and orders related to any administrative proceedings, when such publication divulgement or disclosure is related to an administrative, judicial or other legal proceeding concerning this bond.

10. **Headings.** The headings used herein are for descriptive purposes only and have no legal force or effect.

IN WITNESS WHEREOF, Principal and Surety have set their hand, intending to be legally bound as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (“Effective Date”).

**PRINCIPAL:**

\_\_\_\_\_  
(Print Principal Name)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title: i.e. Attorney in Fact)

**ATTEST OR WITNESS:**

\_\_\_\_\_  
(Where Required)

**SURETY:**

\_\_\_\_\_  
(Print Surety Name)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title: i.e. Attorney in Fact)

**ATTEST OR WITNESS:**

\_\_\_\_\_  
(Where Required)

Approved as to legality and form:  
**PRE-APPROVED OAG 10/27/14**  
/Robert A. Mulle/  
Office of Attorney General  
**PRE-APPROVED OGC 9/5/14**  
/Shawn E. Smith/  
Office of General Counsel  
Form No. 3-FA-1.1