

APPLICATION FOR LICENSURE AS A SALES FINANCE COMPANY

PART 1

The Pennsylvania Department of Banking and Securities (the Department) welcomes your request for this Sales Finance Company application. It is the Department's position that installment sellers 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 Sales Finance Company licenses under the provisions of the Consumer Credit Code related to Motor Vehicle Sales Finance (Code), which sets forth requirements both to become and to remain licensed. The Department is responsible for enforcing the Consumer Credit Code related to Motor Vehicle Sales Finance.

It is imperative that you become familiar with the Consumer Credit Code related to Motor Vehicle Sales Finance, formerly the Motor Vehicle Sales Finance Act. You may wish to consult with an attorney. The legal citation for the Consumer Credit Code is 12 Pa. C.S. § 6101 et. seq.

License Required

A sales finance company license is required by any person or company who engages in the business of financing or soliciting the financing of installment sale contracts made between other parties, including but not thereby limiting the generality of the foregoing, the business of acquiring, investing in or lending money or credit on the security of such contracts or any interest therein, whether by discount, purchase or assignment thereof, or otherwise. The term "sales finance company" also includes any seller, whether or not licensed under the Act, who as a seller, finances installment sale contracts for other sellers or sales finance companies. Exemptions are granted to any person to the extent that said person makes bona fide commercial loans to sellers or sales finance companies and takes assignments of, or an interest in, an aggregation of installment sale contracts only as a security for such commercial loans under which, in the absence of default or other bona fide breach of the loan contract, ownership of such contracts remains vested in the assignor and collection of payments on such contracts is made by the assignor.

Under Section 6211(c) of the Code, a license cannot be transferred or assigned.

Bond

A bond in the sum of ten thousand dollars (\$10,000) must accompany each application. This bond must be furnished by a surety company legally authorized to transact business in Pennsylvania, and must be written to conform to the period of licensure. Furthermore, the bond must be renewed and re-filed with the Department of Banking and Securities, along with the submission of the license renewal, no later than September 15 of each year. The prescribed bond forms have been included as part of the application.

For additional information on the bonding requirement, please refer to Section 6213 of the Code.

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 a criminal record check when applying for licensure.

Records Required

A sales finance company is required to maintain records of the business of financing or soliciting the financing of installment sale contracts made between other parties, including but not thereby limiting the generality of the foregoing, the business of acquiring, investing in, or lending money or credit on the security of such contracts or any interest therein, whether by discount, purchase or assignment thereof, or otherwise.

Examinations and Investigations

Examinations and special investigations are conducted as needed and often result from consumer complaints. **Prior to approving an application for an office located outside of the Commonwealth of Pennsylvania, the Department must receive written assurance that all expenses for an examination/investigation will be paid by the applicant.** Examinations and investigations are discussed in §6203 of the Code.

Penalties; License suspension, revocation, or refusal to renew

The Department may assess fines of \$2000 per offense if a licensee violates any provision of the Code. The Department also has the authority to suspend, revoke, or refuse to renew a license for violation of any provision of the Code or any material misstatement made in the application(s) filed with the Department.

Annual license fees; renewals

A licensing fee of \$500 for the official place of business must accompany the 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 October 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 October 1. An annual renewal fee of \$350 must accompany the renewal application for each official place of business. Renewal applications will be sent to licensees no later than August 1. The annual renewal fee of \$350 will be due on or before September 15.

Other provisions that apply; other laws that may apply

The preceding discussion does not represent a complete analysis of the Consumer Credit Code, formerly the Motor Vehicle Sales Finance Act. Rather, the areas discussed are based on the issues, which surface most frequently. ***You are advised to read and review the Consumer Credit Code, formerly the Motor Vehicle Sales Finance Act in order to become familiar with all provisions.***

Information about corporate and business registration can be obtained by contacting the Corporation Bureau of the Pennsylvania Department of State, 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. An attorney should be able to advise you about federal laws that may apply to installment sales.

How and Where to file

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

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

Keep pages 1 through 3 for your records, as well as a copy of the Consumer Credit Code, formerly the Motor Vehicle Sales Finance Act.

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.

We look forward to processing your application.

SALES FINANCE COMPANY APPLICATION Part 2

For Official Use Only
License #

1. Please indicate name of business and how it is structured.

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.

IF BUSINESS IS NOT A CORPORATION

How is business organized? _____

Name of entity: _____

D/B/A [if applicable]: _____

Federal ID Number: _____

Attach a copy of the Operating Agreement, By-Laws, etc., evidence of registry with the Pennsylvania Department of State, if required [if not required, state reason below] and, if applicable, a copy of the fictitious name registration. Please provide legal opinion if claiming exemption

3. Information about officers, directors, owners, and all designated office managers of entity.

A. If business is a corporation:

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.**

If business is not a corporation:

List full name, official title in the business, date of birth, social security number, residence address, residence telephone number, cell phone number and email address of each owner, partner, and member and office manager of the proposed licensed business. **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

4. Please complete the following information in order to identify the person the Department should contact to address application, licensing, 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 Contact: _____
(Name & Title)

Street Address Suite/Room/Floor

City State Zip

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

EMAIL ADDRESS: _____

5. 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)?

No: _____ Yes: _____

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

Attach additional sheets if necessary

6. Has any director, officer, owner, etc., identified in this application, manager, employee or agent of the applicant been a party to a financial service business whose application, license, or authorization has been refused, denied, suspended, or revoked in Pennsylvania or any other state?

No: _____ Yes: _____

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

Attach additional sheets if necessary

7. Please answer the following questions by placing an X on the appropriate response line.

YES NO

- a. Do you understand that the Consumer Credit Code related to Motor Vehicle Sales Finance describes requirements related to conducting business?
- b. Do you understand that a licensee may be assessed a fine of \$2,000 or more for violating any provision of the Consumer Credit Code related to Motor Vehicle Sales Finance?
- c. Do you understand that a licensee may also be assessed a fine of \$2,000 or more for directing or consenting to a violation of the Consumer Credit Code related to Motor Vehicle Sales Finance?
- d. If you become licensed, will you convey the requirements of the Consumer Credit Code related to Motor Vehicle Sales Finance to any person(s) who engage in sales finance business as your employee?
- e. Do you understand that a Sales Finance Company licensee must display its license conspicuously at the licensed place of business?

YES NO

- f. Do you understand that a Sales Finance Company license may not be transferred or assigned?
- g. Do you understand that as a Sales Finance Company licensee may conduct installment sales financing only with licensed installment sellers and sales finance companies and may assign delinquent accounts only to authorized collector repossessioners?
- h. Do you understand that if you accept installment sales contracts from an unlicensed installment seller or sales finance company, you may be subject to the penalty provisions of the Consumer Credit Code related to Motor Vehicle Sales Finance, including fines and/or imprisonment?
- i. Do you understand that a Sales Finance Company license expires each year on October 1, and must be renewed on or prior to September 15?
- j. Do you understand that original or duplicates of all records that pertain to your sales finance company business must be maintained at your official place of business as listed on the license certificate or at any office maintained by the licensee subject to the approval of the Secretary of Banking and Securities?
- k. Do you understand that a sales finance company licensee is subject to examination/investigation by the Department of Banking and Securities at any time during regular business hours without prior notice, if the Department deems such an examination/investigation necessary or desirable?
- l. 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 sales finance company business?
- m. Do you understand that the Department of Banking and Securities has the authority to make examinations/investigations as deemed necessary to administer the provisions of the Consumer Credit Code related to Motor Vehicle Sales Finance?
- n. Do you understand that an examination/investigation can be initiated to resolve a consumer complaint?
- o. Do you understand that a sales finance company licensee may not conduct sales finance company business under any name other than that designated on its license?
- p. Do you understand that you are committing a violation of the Consumer Credit Code related to Motor Vehicle Sales Finance and may be assessed a fine of \$2,000 to \$5,000 per offense if you conduct sales finance company business prior to licensure?
- q. Do you understand that the Department may suspend, revoke, or refuse to renew any Installment Seller 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 Credit Code related to Motor Vehicle Sales Finance or any rule, regulation, or order promulgated by the Department?
- r. Do you have any questions about the Consumer Credit Code related to Motor Vehicle Sales Finance Act or the licensing process? **[if yes, please attach a separate sheet with all questions]**

Authorization/Affirmation

I understand by submitting this **Sales Finance Application**

I am agreeing to be bound by the following declaration: "**I declare that all of my answers on this *Sales Finance 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

10. Please review before mailing this application.

Have you....

- ✓ Answered all questions or indicated N/A?
- ✓ Checked answers for accuracy?
- ✓ Authorized/Affirmed the application?
- ✓ Attached a copy of the Articles of Incorporation, Operating Agreement and/or Foreign Registration Statement?
- ✓ Attached a copy of the approved fictitious name registration if applicable?
- ✓ Completed all criminal record checks?
- ✓ Made and retained a copy of the entire application for your records?
- ✓ Enclosed a check for the appropriate amount?

11. Please mail completed original application to:

**PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES
NON-DEPOSITORY LICENSING OFFICE
17 N 2ND 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. Cost of the online criminal background history check is \$8.00 for each request and is payable through PATCH by credit card.
3. 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 **“Personal Information”** section of the PATCH application:

Reason for Request: Employment

First Name: PADOBS

Middle Name: NonDepository

Last Name: Licensing

Address Line 1: Market Square Plaza

Address Line 2: 17 N 2nd St Ste 1300

City: Harrisburg

State: PA

Zip: 17101

Email Address: ra-asklicensing@pa.gov

Phone Number: (717) 787-3717

Fax: (717) 787-8773

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.**

4. 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:

Available to Pennsylvania residences 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.