



CT Small Loan Company License New Application Checklist (Company)

Section 36a-562 of the Connecticut General Statutes states, in part, “In each case where a license is required by section 36a-556, the licensee shall have a main office license and may have a branch office license. All offices shall be located in the United States.”

CHECKLIST SECTIONS

- [General Information](#)
- [License Fees](#)
- [Requirements Completed in NMLS](#)
- [Requirements/Documents Uploaded in NMLS](#)
- [Requirements Submitted Outside of NMLS](#)

GENERAL INFORMATION

Who Is Required to Have This License?

Any person or entity who is engaging in the business of making loans of money or extensions of credit, or the purchase of, or an advance of money on, a borrower’s future potential source of money, including, but not limited to, future pay, salary, pension income or a tax refund, if (i) the amount or value is fifty thousand dollars or less, and (ii) the APR is greater than 12%.

It includes any person, by any method, including, but not limited to, mail, telephone, Internet or other electronic means, unless exempt, that:

- Makes a small loan to a Connecticut borrower;
- Offers, solicits, brokers, directly or indirectly arranges, places or finds a small loan for a prospective Connecticut borrower;
- Engages in any other activity intended to assist a prospective Connecticut borrower in obtaining a small loan, including, but not limited to, generating leads;
- Receives payments of principal and interest in connection with a small loan made to a Connecticut borrower;
- Purchases, acquires, or receives assignment of a small loan made to a Connecticut borrower; and
- Advertises or causes to be advertised in this state a small loan or any of the services described above.

Who Does Not Need This License?

- A licensed pawnbroker;
- A person licensed as a consumer collection agency in accordance with section 36a-801 when engaged in the activities of a consumer collection agency in the normal course of business;
- A person who services small loans for an exempt person described in subsection (b) of Section 36a-557, when such exempt person owns the small loans, provided the servicing arrangements include, in

addition to receiving payments of principal and interest in connection with the small loans, the provision of accounting, recordkeeping and data processing services and such person does not engage in the activities set forth in subsection (d) of section 36a-556;

- A person who is a passive buyer of a small loan. A “passive buyer” means a person who: (A) Has acquired a small loan for investment purposes from a person who is either licensed or exempt from licensure; (B) will receive the principal and interest and any other moneys due under the small loan through a person who is either licensed or exempt from licensure; and (C) has had and will have no communications of any kind with the Connecticut borrower regarding the small loan it has acquired;
- A consumer reporting agency, as defined in Section 603(f) of the Fair Credit Reporting Act, 15 USC 1681a, as amended from time to time, when generating leads; and
- A retail seller who offers, extends or facilitates credit through an open-end or closed-end credit plan for the purchase of goods or services from such retail seller.
- Any bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union, provided such bank or credit union is federally insured;
- Any wholly-owned subsidiary of such bank or credit union; and
- Any operating subsidiary where each owner of such operating subsidiary is wholly owned by the same bank or credit union.

Activities Authorized Under This License

- | | |
|--------------------------------|--------------------------------------|
| • Consumer loan brokering | • Consumer loan lending |
| • Consumer loan servicing | • Title lending |
| • Refund anticipation lending | • Premium finance company activities |
| • Payday lending - storefront | • Payday lending - online |
| • Private student loan lending | • Lead generation |
| • Other – consumer finance | |

Pre-Requisites for License Applications

- Cash Requirement: \$50,000 continuously available for each licensed location. This requirement may be met by cash on hand, cash in bank, or lines of credit.
- Financial Statement: Audited Financial Statement reflecting net worth, which cannot be dated more than 12 months prior to the application date, must be provided via NMLS
- Total License Cost: \$500 including NMLS processing fee

Connecticut Department of Banking does not issue paper licenses for this license type.

Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

Agency Contact Information

Contact Consumer Credit staff by phone at (860)240-8225 or send your questions via email to dob.ccl@ct.gov for additional assistance.

For U.S. Postal Service & Overnight Delivery:

Connecticut Department of Banking
Consumer Credit Division
260 Constitution Plaza
Hartford, CT 06103-1800

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	CT Small Loan Company License	Submitted via...
<input type="checkbox"/>	CT License Fee: \$400 NMLS Initial Processing Fee: \$100	NMLS (Filing submission)
<input type="checkbox"/>	Credit Report for MU2 Individual: \$15 per person.	NMLS
<input type="checkbox"/>	FBI Criminal Background Check for MU2 Individual: \$36.25 per person.	NMLS

REQUIREMENTS COMPLETED IN NMLS

Complete	CT Small Loan Company License	Submitted via...
<input type="checkbox"/>	Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license through NMLS.	NMLS
<input type="checkbox"/>	<p>Financial Statements: Upload an Audited financial statement prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles dated within 90 days of your fiscal year end. Financial statements should include a balance sheet, income statement, statement of cash flows, and all relevant notes thereto. If the applicant is a start-up company, only an initial statement of condition is required. A start-up is considered to mean the company has been formed for one year or less at the time of application.</p> <p>Note: You must have a minimum of \$50,000 continuously available for each licensed location. This requirement may be met by cash on hand, cash in bank, or lines of credit.</p> <p>Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.</p>	NMLS
<input type="checkbox"/>	Other Trade Name: If operating under a name that is different from the applicant's legal name, that name must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1). Connecticut does not limit the number of other trade names. It is the applicant's responsibility to ensure that all names are properly registered with the required municipality or government agency.	NMLS
<input type="checkbox"/>	Resident/Registered Agent: The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1) and must match the information currently on record with the Connecticut Secretary of the State.	NMLS
<input type="checkbox"/>	<p>Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> 1. Primary Company Contact 2. Primary Consumer Complaint Contact (Regulator) 	NMLS

<input type="checkbox"/>	<p>Non-Primary Contact Employees: An individual should be identified for the following areas in the <i>Contact Employees</i> section of the Company Form (MU1):</p> <ol style="list-style-type: none"> 1. Accounting 2. Exam Billing 3. Licensing 4. Consumer Complaint (Public) 5. Exam Delivery 6. Litigation 7. Consumer Complaint (Regulator) 8. Legal 9. Pre-Exam Contact 	NMLS
<input type="checkbox"/>	<p>Bank Account: The following bank account information must be completed for the company's Operating accounts in the <i>Bank Account</i> section of the Company Form (MU1):</p> <ul style="list-style-type: none"> • Account Type • Name of Bank • Address of Bank • Account Number 	NMLS
<input type="checkbox"/>	<p>Disclosure Questions: Upload complete details of all events or proceedings for each "Yes" response to the Disclosure Questions for the Company, each control Person and Qualifying Individual on NMLS Company Form and Individual Form. Upload copies of any applicable orders or supporting documents into appropriate Disclosure Explanations sections. Include official court documents for any felony or misdemeanor conviction(s) and all related documents for any outstanding judgment(s) or lien(s) including evidence of payments.</p> <p>See the Company Disclosure Explanations Quick Guide for instructions.</p>	Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).
Note	<p>Control Person means, "an individual that directly or indirectly exercises control over another person. Any person that (A) is a director, general partner or executive officer; (B) in the case of a corporation, directly or indirectly has the right to vote ten per cent or more of a class of any voting security or has the power to sell or direct the sale of ten per cent or more of any class of voting securities; (C) in the case of a limited liability company, is a managing member; or (D) in the case of a partnership, has the right to receive upon dissolution, or has contributed, ten per cent or more of the capital, is presumed to be a control person. For purposes of this subdivision, "control" means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise."</p>	N/A
<input type="checkbox"/>	<p>Direct Owner/Executive Officer and Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable person before it is able to be submitted along with the Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>Qualifying Individual: Must recognize an individual who is responsible for the actions of the licensee. Complete the Individual Form (MU2) in NMLS. This individual must be listed in the <i>Qualifying Individual</i> section of the Company Form (MU1).</p> <p>Note: The Qualifying Individual is required to meet <u>minimum criminal and credit background check requirements</u>. The individual will be required to authorize a criminal background check and credit report through NMLS.</p>	NMLS

<input type="checkbox"/>	Qualifying Individual (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable qualifying individual before it is able to be submitted along with the Company Form (MU1).	NMLS
<input type="checkbox"/>	Credit Report: Direct Owners/Executive Officers and the Qualifying Individual are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for your company can be filed through NMLS. This authorization is made when the Individual Form (MU2) is submitted as part of the Company Form (MU1).	NMLS
<input type="checkbox"/>	<p>MU2 Individual FBI Criminal Background Check Requirements: MU2 Individuals on the Company Form (MU1) are required to authorize an FBI criminal background check (CBC) through NMLS.</p> <p>After authorizing an FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.</p> <p>See the Criminal Background Check section of the NMLS Resource Center for more info.</p> <p>Note: If you are able to 'Use Existing Prints' to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p>	NMLS

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	CT Small Loan Company License	Submitted via...
<input type="checkbox"/>	<p>Business Plan: Upload a business plan outlining marketing strategies, products, target markets, fee schedule and operating structure the applicant intends to employ. <u>Applicants must demonstrate that this license will be for the convenience and advantage of the community in which the business is to be conducted.</u> You should specifically address this requirement in the business plan, and include such information as:</p> <ul style="list-style-type: none"> • Description of the physical location • Market data, such as current source for small loans, population statistics and growth estimates, economic growth statistics, major employers, loan volume and market share projections • Profitability projections • Financial strength of the applicant to meet future growth in loan demand • Other miscellaneous economic information that would serve to demonstrate that the issuance of a license would be for the convenience and advantage of the community • Identify any other business (your own or third party) proposed to be conducted in association or conjunction with your proposed small loan business, or any other businesses (your own or a third party) proposed to be conducted within the same office room • Schedule of days and hours during which the office will be open. <p>This document should be named <i>[Company Legal Name] Business Plan</i>.</p> <p>Note: If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded.</p>	<p>Upload in NMLS: under the Document Type <u>Business Plan</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<input type="checkbox"/>	Certificate of Authority/Good Standing Certificate: Applicant must register with the Connecticut Secretary of the State as applicable.	N/A
<input type="checkbox"/>	<p>Formation Documents: Determine classification of applicant's legal status and submit a State certified copy of the applicable documentation detailed below. Original formation documents and all subsequent amendments, thereto including a list of any name changes.</p> <p>General Partnership:</p> <ul style="list-style-type: none"> Partnership Agreement (including all amendments) <p>Limited Liability Company:</p> <ul style="list-style-type: none"> Articles of Organization (including all amendments) <p>Corporation:</p> <ul style="list-style-type: none"> Articles of Incorporation (including all amendments) <p>This document should be named <i>Formation Documentation [Date of Creation]</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Formation Document</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Management Chart: Submit a Management Chart displaying the applicant's directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure. If the existing uploaded Management Chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single Management Chart.</p> <p>This document should be named <i>[Company Legal Name] Management Chart</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>